



Partners in Impact

## **Applicants' experience of the outcomes approach: an independent research study for the Big Lottery Fund**

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## **Acknowledgements**

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## **Executive Summary**

For a number of years, the Big Lottery Fund (BIG) has been using an outcomes funding approach, asking applicants to focus on the difference their project will make to their communities and the lives of people most in need. Since late 2006, BIG has required applicants to make their outcomes SMART (Specific, Measurable, Achievable, Realistic & Time-bound). The aim of this study is to explore applicants' experience of applying to BIG using this revised approach, focussing on the value and challenges of identifying SMART outcomes and any process difficulties. It does not seek to examine the connection between outcomes set and results achieved.

### **Methodology**

The research took place from May to July 2009. The study population of 2,100 applications represented different types of grant programme, drawn from the four nations of the UK. The investigation focussed on understanding the experience of a sample of these applicants, complemented by the views of the infrastructure agencies who support them and of BIG staff in operational, policy and external relations roles. Quantitative methods using BIG data and an online survey were complemented by qualitative interviews, both telephone and face-to-face. The research and this report are designed to give BIG a clear sense of individual experiences of the process, within a framework that enables key trends and learning to be identified.

### **Setting SMART outcomes**

The majority of applicants (64% (65) of telephone interviewees) are positive about the outcomes approach in general but much less positive about BIG's approach to SMART outcomes. Only 17% actively like using SMART outcomes.

Positive comments were about the discipline and focus demanded by the approach and how it forces applicants to think about the difference they are going to make not just the work they are going to do. A common concern is that there is too much emphasis on quantitative over qualitative outcomes. Also, organisations that exist to respond to the changing needs of individuals, families or communities, or to meet newly identified needs, often find accurate numerical projections challenging.

Others feel the focus on SMART outcomes in the application form actively prevents them from explaining what it is about their work and the benefit they can deliver that matters – or encourages them to focus their application on whatever in their work fits best into the system rather than what is most important. Half of those who reported difficulties find the process of writing SMART outcomes complicated, confusing and lengthy.

Interviews with independent support agencies largely confirmed this experience. They also indicated that the emphasis BIG puts on SMART outcomes may be obscuring other areas where improved capacity is needed, such as researching need.

Overall applicants who find the outcomes process easy have had previous experience of using it or something like it. Size and type of organisation or their geographical location are not reliable predictors of confidence with the approach – although the logistics of the application are understandably challenging for small groups.

### **Setting project milestones**

Applicants face fewer problems in developing milestones for their projects, with 31% reporting difficulties. However there are clear indications that both applicants and BIG

staff often identify milestones only as tasks to be completed, rather than significant indicators of success in working towards outcomes. Some applicants also feel under pressure to set unrealistic numerical milestones and are worried about the consequences of not achieving them.

### **Matching project outcomes with BIG programme outcomes**

Over a third of telephone interviewees reported difficulties in showing how the outcomes they hope to achieve will contribute to the outcomes set by BIG for the programme overall. Most of these pointed to problems with language and guidance from BIG. Some had concerns about keeping ownership of their outcomes without jeopardising their chances of funding.

### **Support services and resources**

Overall, 90% of the 187 applicants that responded to our questionnaire made use of some written information produced by BIG in preparing their application and 60% use BIG's outcomes guidance, 'Explaining the Difference'. In general, applicants and support agencies find BIG's guidance clear and well written. But the volume of information and level of detail can make it hard to access and use. Many feel BIG needs to give greater attention to how applicants want to use information, offering a more layered approach with 'top-level' guidance signposting through to more detailed documents and a wider range of practical examples. They also identified a need to remove inconsistencies between core outcomes documents and current practice as it develops.

Around 10% of applicants have contact with BIG staff involved in delivering training and workshops, 15% sought support from other agencies and just over 25% used the BIG advice line. The majority reported that they do not seek advice until after they have submitted their application form. As a result, most use the assessment process as their main source of support and choose to engage with BIG grants officers for advice and feedback.

### **Impact of support**

Most applicants are satisfied with the support and advice they received both from BIG and from infrastructure organisations. The strongest concern comes from inexperienced applicants and those who feel the needs of their client group or community are poorly understood. They would like face-to-face contact with BIG staff during the assessment process.

Many applicants also reported that they had received inconsistent and conflicting feedback at different times in the process and from different BIG staff. The standardised feedback letter, currently issued by BIG following assessment of applications, is also seen by many as unhelpful for improving future applications.

A majority reported that their outcomes had been shaped by the advice they received but for many this was simply a question of getting the language right rather than anything of substance. Some reported problems with BIG's understanding of their outcomes and felt under pressure to present them differently.

### **The impact of the outcomes approach on organisations**

Many organisations are now using outcomes in their planning; over a third say applying to BIG has influenced them in taking this approach with projects, while 43% reported that applying to BIG has given them confidence in applying to other funders.

There are still widespread concerns about inconsistency between funders and the need to do more to share good practice.

## **Recommendations**

Five key areas have emerged where action by BIG could significantly improve applicants' experience of applying for funds, without compromising its focus on supporting tangible change.

- **Keeping outcomes simple** – BIG should simplify its approach to outcomes, reverting to a more conventional definition to encourage applicants to set clear outcomes, while dealing with the requirements of a SMART approach within activity targets or within project and business plans. This will allow organisations to state clearly what difference they aim to make and why that is important to their community or beneficiary group; and then separately show how they will demonstrate progress towards creating that change in an accountable way.
- **Focussing support on achieving clear outcomes rather than the way they are presented** – BIG should continue to support applicants both directly and through its resources for infrastructure organisations. But in thinking about how and where to use these resources, BIG should be driven by how best to support the successful identification of need and the identification and achievement of outcomes, and spending less time on the language and format in which they are presented.
- **Improving elements of the application process** – BIG should review its application form to make the sections relating to outcomes clearer, removing repetition. It should consider how more capacity might be created to offer face-to-face assessment visits for small organisations making their first application and how to improve the relevance of its feedback to unsuccessful applicants.
- **Streamlining written guidance** – BIG should focus attention not on developing more written information but on making the current material more accessible to applicants of different kinds and at different stages of development.
- **Knowledge management** - BIG has rightly been recognised as taking a lead in developing ideas around outcome funding and for trying to implement them in a thoughtful and enabling way. This research has resulted in a wide pool of knowledge that should be constructively shared to inform specific processes across the organisation.

# Part 1 - Background

## 1. Introduction and aims of the study

The mission of the Big Lottery Fund (BIG) is to bring 'real improvements to communities and to the lives of people most in need'. It funds the work of organisations of all sizes and types in every part of the UK. Over recent years, BIG has increasingly focussed its attention on the difference that funded projects intend to make. This outcomes-based approach is designed to provide a framework for making funding judgements about diverse activities, ensuring that organisations supported by BIG deliver change for communities and individuals, and that they collectively contribute to BIG's broader programme and country objectives.

An outcomes funding approach involves making grants to support change rather than simply to fund activities. It requires applicants to identify what needs to be changed, the difference their work will make, and how they will judge their progress and success in achieving it. When it is well-used, the approach creates opportunities for both funders and funded organisations to make their work more effective, by understanding what works well and how they might improve in the future. An outcomes approach does not imply that the funder decides what changes are needed: most commonly the applicant develops the proposed outcomes and agrees them with the funder.

Although some funding organisations and philanthropists have advocated this approach for many years, it has become common practice over the last decade. This development has been accompanied by an increasing interest in how to measure outcomes. It is no longer sufficient that organisations report purely on the activities they have carried out with the grant: funders are looking for concrete evidence that these activities have contributed to the achievement of agreed outcomes or delivered other valuable benefits and learning for the future.

Since the end of 2006, BIG has asked applicants to explain not only the difference that their project will make but also the measureable scale of what they hope to achieve. Applicants must submit outcomes in a SMART (Specific, Measurable, Achievable, Realistic & Time bound) format, designed to make it clear how much change will be delivered, for how many people and by when. Although other funders have adopted the outcomes approach to funding and many are interested in how organisations can demonstrate the amount of change or level of benefit their work has delivered, BIG remains unusual in embedding the quantity and quality of outcomes aspired to within the stated outcome rather than in separate delivery targets.

The aims of this study are to explore applicants' experience of identifying the changes or the difference that they would like their project to make ("outcomes") in applications for BIG grants and in particular:

- To assess applicants' ability to express their project outcomes in a SMART format
- To assess applicants' ability to identify project milestones across the length of their project
- To assess applicants' ability to match their project outcomes with BIG's programme outcomes
- To assess the impact of BIG support in outcome setting at application stage and during the assessment process
- To identify any patterns or common themes in the profile of applicant organisations which successfully use the outcomes approach to secure BIG funding

The research took place from May to July 2009. The findings reflect the views of a broad sample of applicants, complemented by the experience of infrastructure agencies across the UK and staff and managers in operational, policy and external relations roles within BIG. The report focuses on significant findings from more detailed results, selected to assist BIG in building and sharing its learning on effective outcome funding, to highlight opportunities to improve applicants' experience of the outcomes approach, and to identify areas where further investigation might be of value. The research is concerned largely with applicants' experience of identifying SMART outcomes and process difficulties and does not address what kinds of outcomes deliver good results once the project is underway.

## 2. Scope of research and methodology

### 2.1 The study population

The population selected by BIG for study represented applications (both successful and unsuccessful) made to a range of different types of funding programmes, from responsive, high volume grant making to large partnership initiatives with grant making delegated to award partners. One programme was selected from each of Northern Ireland, Scotland and Wales and four from England. The study population consisted of more than 2,000 applications received between January 2007 and December 2008.

Programme	Country	Number of Applications
Reaching Communities	England	1,339 (6 months only)
Community Libraries	England	132
Life Transitions	Scotland	326
Well Being	England	29
People & Places	Wales	230
Live & Learn	Northern Ireland	21
Changing Spaces	England	22
<b>Total</b>		<b>2,099</b>

Figure 1: The BIG Programmes included in the Research

### 2.2 Methodology

The methodology was designed to build up the research in layers, using quantitative methods to create a robust framework and identify the key variables for study, which were then used as a foundation for qualitative investigation with different stakeholders. The report largely consists of a detailed analysis of the responses of participants rather than a traditional model of findings, analysis and conclusions. This is designed to give BIG a clear sense of the individual experiences of applicants, within a conceptual framework developed by the consultants to reflect key trends in the responses. This allows the overall learning to be clearly articulated and presented for the best use by BIG.

All respondents were guaranteed confidentiality and that their comments would only be used anonymously. To ensure this, throughout the report applicants are identified only by region and service type and support agencies only by region. BIG staff are not identified by role or region.

### **2.2.1 Quantitative Data Analysis from the Merlin database**

Data from BIG's grant management database (MERLIN) was analysed on a range of variables to establish a clear picture of the characteristics of the full population. This included an analysis across the size of organisations, geographical location and the recorded reasons for the final grant decision.

Quantitative analysis enabled the selection of a sample for qualitative research that was representative of the programmes identified for study, with a spread across the four countries of the UK. MERLIN is designed largely as an accountability database with a focus on grant management rather than on social outcomes. This gave limited scope to draw MERLIN data into the rest of the research, although key trends from the analysis were used to inform the telephone interviews.

### **2.2.2 Online questionnaire on the key research questions**

A short online questionnaire was sent to 780 applicants of the target programmes (excluding those funded by award partners). This opened up the process to a wide range of opinion in a controlled manner providing baseline data and valuable guidance for the in-depth qualitative work. In total 187 (24%) completed the survey. The geographical breakdown of this sample was 58% from England, 21% from Scotland, 5% from Wales, 16% from Northern Ireland.

### **2.2.3 Interviews**

Applicants, support agencies and BIG staff were interviewed by telephone, using a semi-structured format to draw in a wide range of experience and opinion. Additional face-to-face interviews allowed in-depth exploration of key issues from the earlier research, and of the context for good practice and the challenges faced. They also added value through the observational expertise of the researchers.

The research included consultation with applicants who were unsuccessful in their applications, as well as those applying to programmes with more than one assessment stage (Reaching Communities, Life Transitions and People and Places) who did not complete the full application process, to gain a full range of experience. However, some of these groups went on to achieve funding after the period of study. As a result it is difficult to reliably distinguish between the views of successful and unsuccessful applicants in the findings, as their comments were influenced by subsequent experience.

The interview breakdown is as follows:

- 140 applicant interviews – including successful (57), unsuccessful (47) and those who did not complete the application process (36)
- 20 support agency interviews – including BIG contracted organisations, councils for voluntary service (CVSs), voluntary services councils and other infrastructure organisations
- 24 BIG staff interviews - including people in operational, policy and external relations roles in England, Northern Ireland, Wales, and Scotland.

### **2.2.4 Reporting and knowledge management**

The published report is supported by knowledge sharing within BIG to ensure that the detail of learning drawn from the study can be effectively shared and fed into strategic policy and decision making.

## 2.3 Terminology

In this report the term 'infrastructure agency' or 'support agency' is used to describe local, national or UK-wide organisations providing advice, training and other services to voluntary and community sector organisations. A 'contracted agency' is a support agency funded by BIG to play an agreed advisory role on BIG's behalf, while an 'award partner' is a grantee, who makes grants to other agencies as part of an agreed programme.

## Part 2 – Evidence: Key Results and Reflections

### 3. Setting SMART outcomes

Overall this research suggests that applicants are increasingly familiar with the idea of outcomes. When questioned, 64% of applicants interviewed by telephone said they generally liked the fact that BIG takes an outcomes approach to funding:

*"It's a very good starting place for getting people to think about what change they really want to achieve" (unregistered community organisation, SW England).*

Only a minority struggled, with 15% reporting that they find it really difficult. And their detailed answers indicated that many of their problems were with the specific way that BIG defines SMART outcomes, rather than the need to express the changes, benefits, learning or other effects that they expect their work to deliver:

*"It was very hard to come up with outcomes that fitted the BIG requirement – that were worded appropriately. It wasn't the content of the project but the way it was described – the letter rather than the spirit of how you talk about outcomes" (social enterprise, Wales).*

#### 3.1 The process of setting SMART outcomes

The evidence also indicates that many applicants are now used to BIG's emphasis on SMART outcomes. When questioned specifically about SMART outcomes, 33% (54<sup>1</sup>) of online respondents reported that they find the process easy or fairly easy and nearly 39% (65) said it was satisfactory. Over a quarter (28%, 46) reported difficulties in using the SMART format to identify the changes they want to make with their projects.

In response to the more detailed questions possible in the telephone interviews, 41% of the organisations interviewed reported difficulties with the SMART format. Telephone interviewees were also asked whether they liked expressing outcomes in a SMART format (figure 2). Overall 34% said they did not like it. And, of the 47% who said it was OK, over a third reported specific concerns or difficulties in later responses.

Unsurprisingly, representatives in organisations with previous experience of applying to BIG were more likely to find the process relatively straightforward. More detailed analysis showed no correlation between levels of satisfaction with the approach and the size, location or income level of the applicant organisation.

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<sup>1</sup> An inclusive approach was taken to the online survey i.e. if a question was not completed the remaining responses were not excluded. This means there is some variance in the total number of responses to each question of the online survey depending on their relevance and/or completion by the participant.

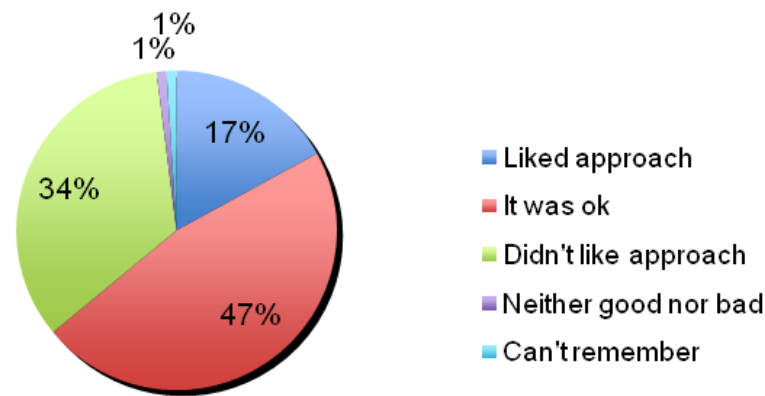


Figure 2: How did you like expressing outcomes in a SMART format (telephone)

A large proportion (67%) of the telephone interviewees who really liked the approach felt it was a good way to help them ‘stay focused’:

*“It’s good - it makes the people delivering the service think carefully about the evidence they need to collect and to do this from the start” (medium sized service charity, NE England).*

Even a small number of those who really disliked using SMART outcomes felt they had learned from the process:

*“It does get you thinking from the start in what should be the right way about the difference you are going to make – but we found it very difficult” (voluntary sector partnership, NW England).*

Only 14% of those who find the approach OK had positive comments to make. Almost all of these reported that they have previous experience in applying so do not find it particularly difficult, suggesting that their satisfaction is largely based on familiarity with the process rather than its intrinsic qualities:

*“Our service delivery staff would not use this kind of language but the small fundraising team has lots of experience and knows how to shape what they say into the language needed for an application” (large service charity, E Midlands).*

Otherwise this group of applicants did not comment further, or agreed with those who actively dislike SMART outcomes in making criticisms of the approach or its implementation.

### 3.2 Difficulties with setting SMART outcomes

The online survey invited the 28% of respondents who had difficulties with SMART outcomes to give more details (figure 3). They mostly reported problems with the complexity and constraints of the system. But some felt that certain types of work cannot readily be expressed in a SMART outcomes format. This might be because the project is at an early stage of development with unpredictable demand or because of inherent difficulties in gathering outcome data for some services. Some believed that BIG is only interested in quantitative outcomes.

<i>Process poorly explained and over-complicated</i>	15
<i>Quantitative emphasis doesn't work well for soft outcomes</i>	6
<i>It's difficult or impossible to set SMART outcomes for our type of work</i>	5
<i>It's difficult to explain outcomes to BIG staff who do not know the area or our work</i>	5
<i>There's no space on the form to explain our outcomes properly</i>	4
<i>Complying with the BIG's definition distorts what we want to do</i>	3
<i>Accurate prediction of numbers is hard or impossible</i>	2

Figure 3: Most common difficulties in setting SMART outcomes (online)

These themes were explored further in the telephone interviews and largely reinforced by respondents, with criticisms falling into three broad categories, as follows:

### 3.2.1 Quantitative not qualitative

**“Only numbers count”** – Throughout the study, the researchers noted that, for most applicants, SMART was seen purely as being about quantitative measures. Some felt that the BIG assessment process excluded anything else:

*“Qualitative measures are not included in the application – they are not asked for or seen as significant but they are so important to evidencing our achievements” (large service charity, East of England)*

*“We have no problem with the discipline of outcomes but it needs to be meaningful for the client group and not just 'bean counting' ... BIG needs to understand better the challenges of setting meaningful outcomes with client groups that are inherently unstable and unreliable” (medium sized service charity, Scotland).*

**“Plucking figures out of the air”** – Others felt that predicting how many and how much is often little better than guesswork:

*“If you are a person-centred organisation, you've got to be able to respond to what the users want – and this will change” (community project, SW England).*

**Comparing levels of benefit** – Others were concerned that defining the relative value of different kinds of benefit to individuals and communities is not something that can be achieved through numbers:

*“They need to define what they mean by levels of benefit. For one person, a service could be literally life-changing – and that's worth a thousand people coming up to your market stall” (small service charity, E Midlands).*

**Communicating what matters** – Some said the focus of the applications form made it hard to explain why their work was important. 12% of interviewees who found SMART outcomes very difficult reported that they found it hard to demonstrate benefit in a way that was acceptable to BIG:

*“How can a very small, isolated rural community compete in a SMART outcomes system?” (rural community organisation, W Midlands).*

### 3.2.2 Can everything be SMART?

**Is it right to measure everything?** – Some respondents find it hard to see how their work can ever conform to a SMART model:

*“It’s hugely difficult in a confidential crisis helpline to demonstrate the measurable benefit you deliver to people who call – and completely inappropriate to survey or question them” (volunteer service charity, London).*

**Being “partially SMART”** – Others are clear that some parts of their work lend themselves much more easily to the SMART approach:

*“It’s hard to set SMART outcomes for the big task of getting to hard to reach people and engaging them - but once they are in and doing activities it’s much easier” (large community organisation, NE England).*

**Who owns the outcomes?** – Some worry that SMART can distort the outcomes prioritised by applicants:

*“Not all outcomes can easily be expressed in a SMART format, so the temptation is to use the outcomes that are easiest to express rather than those that are most important” (service charity, W Midlands).*

### 3.2.3 The process and its impact

**Complexity** – 50% of those who found SMART outcomes really difficult reported that this was because it was complex, very time consuming or they simply could not understand what was required of them:

*“How on earth do volunteer organisations cope with the SMART process? It was difficult enough for us but how do you do this with no staff?” (medium sized service charity, Scotland).*

Even those who reported fewer problems, or found SMART outcomes OK, commented on ‘harder bits’ in the application form, difficulties in identifying which information should go where and finding the form less than user-friendly in places.

**Clarity** – Others reported specific problems with written guidance or the advice they received:

*“They asked us to revise the SMART outcome, but the information they wanted was all around the planning/outputs” (service charity, Northern Ireland).*

Interviewees regularly commented that they felt they were simply struggling over language rather than anything of substance:

*“It felt like twisting words until you hit that secret phrase - but they won’t tell you what it is” (service charity, London).*

### 3.3 Variations in attitudes to SMART outcomes by country?

BIG has used a number of different approaches to grant making in the four countries of the UK. These have included, for example, greater or lesser levels of input and support from BIG or specially contracted advisers, delegated grant making and partnership

models, and outreach to disadvantaged areas with low application levels. The online survey data was further analysed to see whether there were any differences in applicants' experience of the process in the four countries of the UK (Figure 4). These results must be treated with caution because of different response rates to the online survey in the four nations.

Only 7% of respondents from Northern Ireland found the process difficult: all the rest found it OK or easy. However the programme studied in Northern Ireland had a small pool of applicants and a high level BIG staff involvement. Wales, where the programme studied offered pre-application support from an external adviser, shows the starkest contrast in responses, with one-third finding the process fairly difficult and two-thirds finding it fairly easy<sup>2</sup>. Scotland, with a mix of approaches and a strong focus on outreach in the programme studied, has the largest proportion of 'satisfactory' respondents, with England (again looking at a mix of programmes) the only country with respondents who found the process very easy. Possible reasons for variations are explored later in the report.

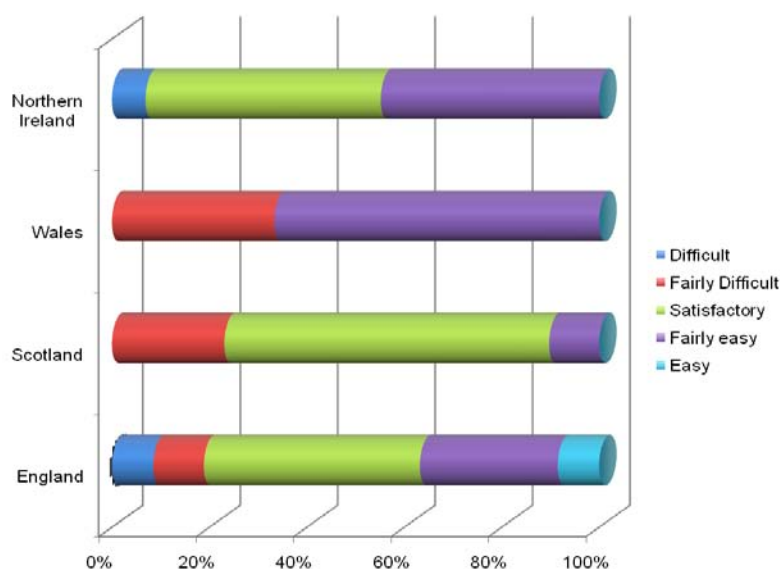


Figure 4: How easy do applicants in the different UK countries find it to set SMART outcomes? (online)

### 3.4 Organisational characteristics that influence experience of the application process

Telephone interviewees were asked what they thought it was about their organisation that made it easy or hard to make applications to BIG using their outcomes approach. Most had positive things to say about their capacity, whether or not they had been successful in this application (figure 5).

Use outcomes in own planning	11%
Organisationally in a strong position	13%
Outcomes is a common funding approach	30%
Applied before using this format	23%

Figure 5: What is it about your organisation that makes the process hard/easy?

<sup>2</sup> Please note that the number that responded from Wales was significantly smaller than the other home countries.

(positive responses)

Although many different reasons for these answers were given, overall it is clear that those with prior experience of making outcomes-focussed applications or who routinely use outcomes are more confident while those applying for the first time may find it daunting:

*“We really thought this would be great for us and then began to dig behind it - what a nightmare!” (community organisation, SE England).*

Some also reported that the strength of their bid came from their connection with need in the local area:

*“We come from the community and have a very good understanding of the needs - so it's just a matter of putting pen to paper. Being so close to the need makes it easy to identify what the measures are” (community organisation, NE England).*

Just under a quarter (23%) reported that they felt their organisation was disadvantaged in making applications to BIG. Many of those who reported difficulties other than inexperience with the process talked about the challenges of fitting their client group into BIG's SMART outcomes structure. For some this was because of the type of work that they do:

*“We felt the Lottery struggled because our work was innovative and with a complicated client group. They couldn't fit it easily into generalised outcomes” (service charity, NE England).*

### **3.4.1 Small organisations**

This research does not support the view that smaller organisations necessarily have a weaker understanding of outcomes than larger ones:

*“Our parents, volunteers and volunteer fundraisers between them have a lot of relevant experience - and they aren't frightened of the process” (volunteer community organisation, SW England).*

They do, however, in many cases struggle simply because of the scale of the application and the multiple demands on people's time – as well as the time it takes to hear the results:

*“The application process took over a year so we had to keep revising our budget... We were really worried about it” (small community organisation, London).*

### **3.5 Support Agency and BIG staff views on the outcomes approach**

A sample of national and local voluntary and community sector support and infrastructure agencies were asked for their views on the challenges that applicants face in using BIG's outcomes approach. All are involved directly or indirectly in assisting organisations to understand the outcomes approach and/or apply for funding to BIG (figure 6).

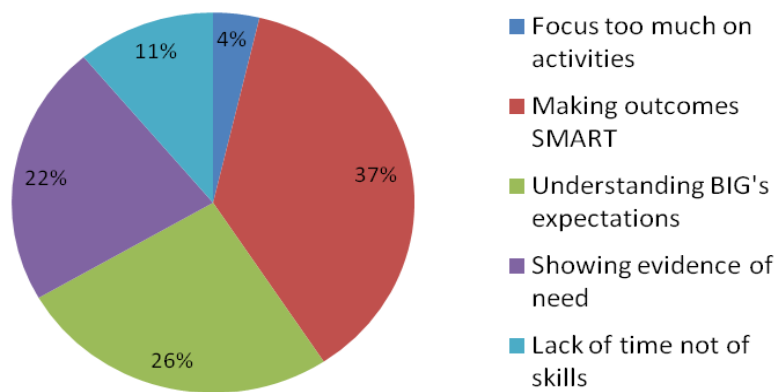


Figure 6: Support agency views of the challenges to applicants in applying to BIG (interviews)

BIG staff were also interviewed for this research. They came from across the UK, representing a range of perspectives, including grants, policy and external relations. There was considerable common ground between the two groups of interviewees and the key findings were as follows (please note that support agencies are identified only by region throughout):

### 3.5.1 Smart outcomes

Independent support agencies would strongly support the emerging conclusion that, while a small percentage of applicants still struggle with the difference between outcomes and activities, setting SMART outcomes is the main challenge. Some add that BIG's emphasis on quantitative measures makes this even more difficult:

*"Putting numbers into outcomes does muddy the water. You've just explained that outcomes are about delivering change, then you start talking about numbers again and they go right back to outputs" (London).*

It also creates considerable anxiety for some applicants:

*"Setting SMART outcomes is inevitably a bit of crystal ball gazing - and less experienced or volunteer-led groups are often afraid to commit themselves for fear that they will be liable for the money if they are wrong" (NE England).*

and can cause particular difficulties for certain types of work:

*"Groups find it difficult to measure 'making life better' so they just pluck a figure out of the air. This is a particular problem for health and social care agencies which have softer outcomes" (Wales).*

BIG staff are less convinced that applicants can confidently distinguish outcomes and outputs:

*"They are not using enough change words – and often give far too much information about their activities" (BIG staff member).*

However, they agree that it is SMART that causes the real difficulties:

*"Hardly a letter goes out that doesn't say 'your outcomes should be SMARTer' "(BIG staff member).*

Their experience also supports the finding that it is not possible to predict which type of agency will struggle:

*“There are no trends across organisational types – you would suspect that the bigger ones will be better at it but they are not necessarily any better at all”*

*“BIG assumed that local authorities would understand SMART outcomes – but in practice, most didn’t”*

*“These applications were from academics and they don’t understand SMART outcomes either” (all quotes from BIG staff).*

### **3.5.2 What BIG wants**

The second most frequent challenge reported by support agencies is that of applicants understanding BIG’s processes and expectations. For some, the problem is simply in working through the paperwork:

*“The amount of detail and jargon can be quite off-putting” (W Midlands).*

Even those with plenty of fundraising experience can find it difficult to work out the “subtle differences” (adviser, SE England) between BIG’s requirements and those of other funders. BIG staff also reported both these challenges.

For many support agencies, making an outcome SMART is simply asking a single idea to carry too much weight:

*“Too much is compressed into one idea with SMART outcomes – the change you want to make and the indicators you are going to use plus how it contributes to the overall programme outcomes set by BIG” (London).*

### **3.5.3 Linking need to outcomes**

Support agencies also reported that organisations know how competitive the funding programmes are and feel under pressure to over-promise:

*“The problem isn’t so much finding the numbers as feeling you have to promise more than is reasonable” (NW England).*

Some believe that the answer to this problem does not lie in more work on SMART outcomes but in more help to applicants with collecting and using evidence of need to create a compelling case for support. This will provide a firm foundation for setting clear outcomes and for good project planning:

*“If agencies can get the consultation and evidence of need right, the outcomes flow naturally. This should be at the heart of the process – not SMART” (SE England).*

This is also emerging as an idea within BIG. At the moment, the connection between need and outcomes can be tenuous:

*“Some people submit outcomes that aren’t even reflected in the need they have talked about – they might, for example, set an outcome about reducing isolation when they haven’t even shown that isolation is a problem” (BIG staff).*

A number of staff reflected that it may be helpful to explore a different approach:

*“If things work properly, you have an idea of a need in the community, you go out and research it and the rest runs naturally from there”(BIG staff).*

#### **4. Setting project milestones**

The telephone interviews indicated that applicants found it easier to set milestones for their project than to set SMART outcomes, with 31% reporting that they had some problems with the process or found it really difficult, as against 41% for SMART outcomes. Of the 46% of those who reported that they found the process OK (as opposed to easy), over a third had a number of critical comments to make on the approach.

Positive comments from applicants largely confirmed that they already use milestones in their planning process or that BIG staff were supportive in establishing sensible milestones for the project:

*“We found it easy because BIG staff helped us get it right” (community organisation, East of England)*

*“Project planning always involves a bit of guesswork but it's fine if funders are realistic about it. We reduced our targets because we were concerned they were too ambitious and they accepted this change” (service charity, Yorkshire and the Humber).*

Qualitative feedback from the telephone and face to face interviews suggest that the challenges around setting milestones fall into two main areas:

- Lack of clarity about defining a milestone and reports of inconsistent advice on this from BIG staff
- Applicants' anxiety about setting unrealistic milestones and being unable to meet them

##### **4.1 Defining a milestone**

BIG's published guidance on the SMART outcomes approach advises applicants that they should measure the progress of their project in two ways:

- by measuring the progress of their activities (activity milestones)
- by measuring progress towards achieving their intended outcomes (outcome milestones).

The evidence of this research is that both BIG staff and applicants tend to focus on the tasks to be completed rather than identifying and measuring significant indicators of success in working towards the outcomes.

The problem is well-illustrated by feedback from a BIG staff member, who said that applicants find it hard to understand that “delivering a successful capital project is not an outcome in itself – it is the changes that the project will deliver that matter.” At the same time, a number of respondents to this question reported that it was easy to set milestones for their project because it was all about capital works.

For those that are clear about the difference between the two measures, this focus on “minor outputs rather than significant achievements” (service charity, NE England) can cause considerable irritation:

*“We found some of the milestones ridiculous - like having to add in recruitment of staff. Why do they need to have this as a 'milestone'? What they call a milestone is not the same as us” (service charity, West Midlands).*

For those who are struggling with the approach, lack of consistency about when BIG is looking for activity milestones and when it is looking for outcome milestones just adds to the confusion:

*“Aren't they the same as SMART outcomes? We just didn't understand the difference” (service charity, SE England).*

#### **4.2 Setting realistic milestones**

A common theme from the interviews is that applicants feel that they have to – or are under direct pressure to – set milestones that they have no confidence in:

*“We knew what milestones we wanted but constantly had to satisfy BIG...we moved away from what is best to increase the chance of success [at application]” (large service charity, Scotland).*

Some of those that have since been funded are very worried about the consequences if they are unable to meet agreed milestones:

*“We were very concerned about setting them and have no idea if we are going to be able to meet them” (new community organisation, NW England).*

### **5. Matching project outcomes with BIG programme outcomes**

As an outcomes funder, BIG wants to fund projects that together contribute to creating wider change. So, as part of its assessment, BIG requires applicants to show how the project outcomes they hope to achieve will contribute to the outcomes set for the programme overall. Nearly 64% of telephone interviewees found it OK or easy to match their project outcomes with BIG's programme outcomes, although 36% had difficulties.

Positive comments mostly referred to an ‘easy fit’ between the programme and the work that the organisation was doing:

*‘There are lots of different strands that we can apply to because of the breadth of our work’ (service charity, E Midlands)*

Criticisms pointed to difficulties with the language and, in some programmes, lack of clear guidance from BIG or changes in the programme outcomes they were seeking:

*“You have to get into the mindset of what they want to capture” (community organisation, SE England).*

Some also felt it was difficult to keep ownership of their outcomes while trying to make them fit with BIG's programme outcomes:

*“We struggled not to compromise on what we wanted to do” (small community organisation, NW England).*

## **6. Applicants’ experience of support services and other resources**

### **6.1 Support and resources provided by BIG**

BIG provides support to applicants in a number of ways and at a number of different points in the process. Practice varies considerably from country to country, across English regions and from programme to programme.

Very broadly, BIG relies on the network of infrastructure and support agencies (voluntary service councils, national infrastructure groups and other similar services) to provide pre-application advice to organisations, through written or web-based information, briefings and joint training events. Some are separately funded by BIG through targeted grants programmes such as BASIS and a small number have contracts to deliver services in relation to specified programmes (the independent pre-application support contract for People and Places in Wales, for example). The remainder have an informal working relationship with BIG, and BIG invests time in providing information to these agencies so that funding advice workers and others can provide up to date and informed advice to potential applicants.

Within the programmes included in this study, it is the large partnership and portfolio programmes (Changing Spaces and Well Being) where there is intensive engagement between BIG staff and potential applicants as well as the small Northern Ireland programme, Live and Learn.

For the purposes of this research, BIG’s own pre-application support services are divided as follows:

- **written information** – BIG produces substantial amounts of written guidance both for individual programmes and more generally on the outcomes approach. A key document is ‘Explaining the Difference’, which was used to introduce the idea of SMART outcomes in 2006. All these documents are available on BIG’s individual country websites
- **seminars and workshops** – externally facing staff in BIG offices (usually not grants officers) often run surgeries and training events for potential applicants
- **advice line and information team** – staff offering first line information and support on funding enquiries
- **grants staff** – although grants staff focus on post-application assessment, support and management, grants officers are often contacted by current or former grantees for further advice on new applications

Post-application assessment feedback again varies considerably. Some offices and programmes offer face-to-face assessment visits to some applicants, while others work only by telephone. Some offer multiple rounds of feedback on applications, while others are restricted to only one. Feedback suggests that highs and low in workload can also affect frequency. All provide formal written feedback on reasons for rejection in a standardised format. It is important to note that, although BIG sees all this as assessment activity, for many applicants, this interaction with BIG is a key component of the support they receive in developing their applications.

#### **6.1.2 Independent support organisations**

The network of independent sector support organisations and infrastructure bodies stretches across the UK. Those interviewed for this research were drawn from all four nations and six of the nine English regions. Together they provided a range of services for organisations seeking advice on making applications to BIG – from information and good practice guidance, through to training and surgeries to one-to-one support. The support agencies were asked to comment on the support and resources provided by BIG to applicants, to assist them throughout the application process. Their responses are recorded in figure 8 below:

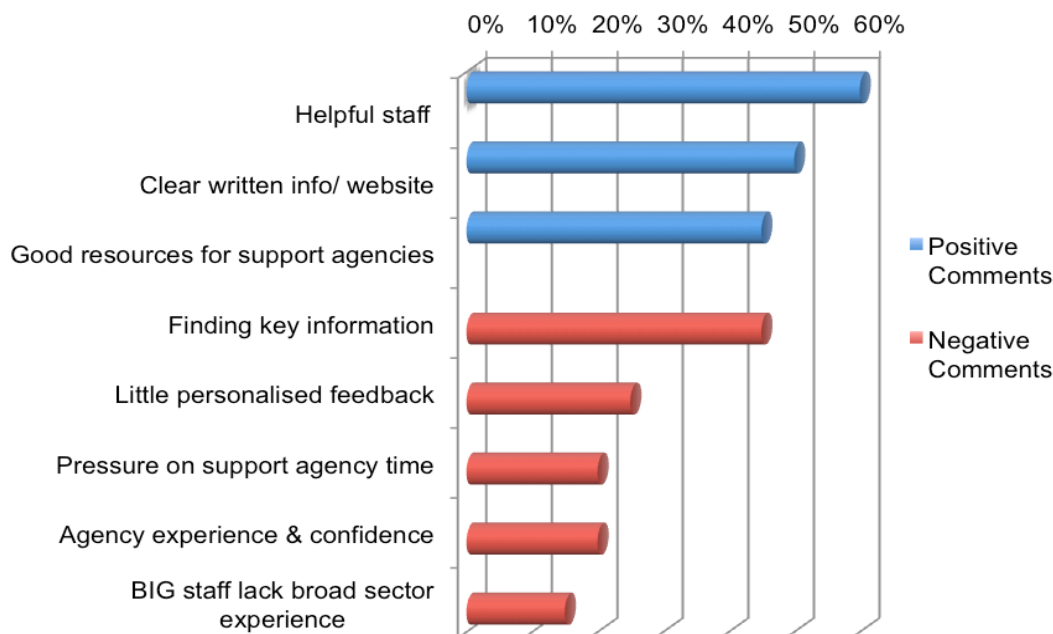


Figure 8: Support agency comments on BIG support and resources for applicants (I suggest attaching a negative to clarify the red bits eg ‘difficulty finding key information’, ‘lack of agency experience and confidence’)

The most consistent positive message was about how helpful BIG staff are:

*“They are a funder you can communicate with”* (London)

*“We have a good relationship – and there is a good exchange of ideas. They are interested in feedback to help improve how things work”* (Northern Ireland).

Positive comments were also made about the good flow of information from BIG to support organisations and the quality of written information for applicants and support organisations in general. At the same time, the most negative comments were about the density and thus the accessibility of written information. This and the other areas of criticism are discussed later in the report.

## 6.2 Who uses what tools and resources?

Online respondents were asked to highlight which of BIG’s written guidance documents they used and whether they had attended a seminar or workshop run by BIG on the outcomes approach/applying for a grant (figure 9). Almost all had used some form of written information, with around 10% attending workshops delivered by BIG external relations and English regional staff.

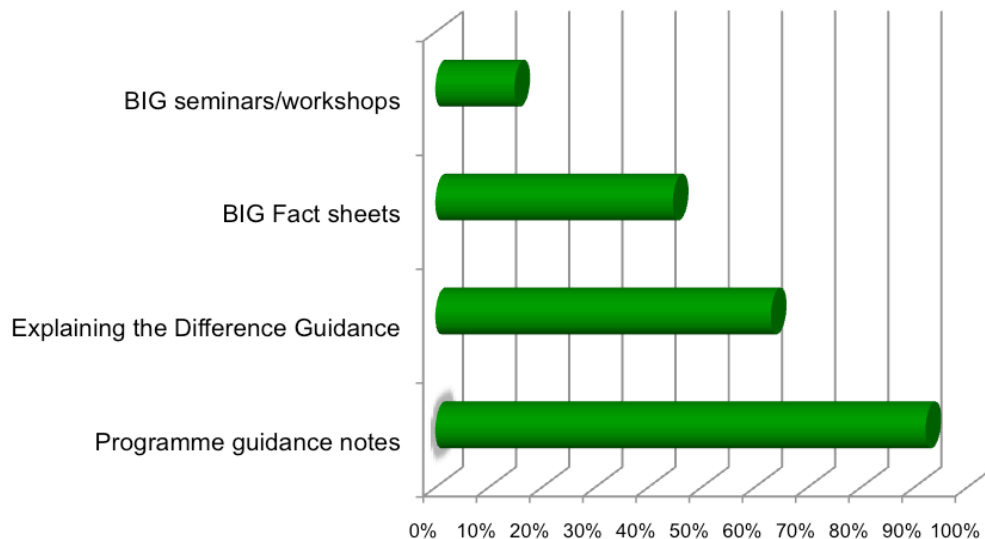


Figure 9: What information resources did you use? (online survey data)

### 6.2.1 'Explaining the Difference'

Overall 60% of applicants who responded to the on-line survey use BIG's 'Explaining the Difference' guidance to help them develop their application. A number commented on how long this document is and how much jargon is used in developing SMART outcomes. Although some said they had "waded all the way through it" (service charity, London), most wanted to be able to use it in a much less linear fashion, dipping in and out for the information they needed. In particular, applicants wanted outcomes guidance to contain more examples of direct relevant to them:

*"The guidance should include a rural example of acceptable SMART outcomes - this would help groups understand if there was any point in applying and would make BIG think through the particular challenges of dealing with rural issues" (rural community organisation, E England).*

Applicants, independent advisors and BIG staff all commented that there were inconsistencies between 'Explaining the Difference' and more recent programme guidance. This is causing confusion for applicants, which is not being easily resolved:

*"We have found some inconsistencies between the outcomes booklet and other written guidance. One group rang four different [BIG] lottery offices to try to get an answer and no-one could resolve it" (NE England).*

BIG staff generally agree that published guidance contradicts practice:

*"Our attitude has changed over the years. We started with 'the overall difference the project will make' then went overboard on statistics and are now trying to claw back the 'why' element" (BIG staff)*

*"We would not consider some of the outcomes in 'Explaining the Difference' to be SMART'. Also different programmes define them in different ways" (BIG staff).*

Some, however, argue that differences between programmes reflect practice not unclear definitions:

*“We do know what we mean by SMART outcomes. It is more to do with working out how hard or how ‘hand-holding’ we are going to be. And this varies from programme to programme – often just as a way to manage demand” (BIG staff).*

### **6.2.2 The overall quality of written guidance**

Independent support agencies commented in some detail on the written information produced by BIG for applicants. Most were positive about the overall quality of documents:

*“A big effort has gone into making all their documents plain English and jargon free and they are really good” (SE England).*

However nearly 40% said the sheer volume of information and the level of detail in much of the guidance made it hard to access and use:

*“All the information is very good but there is too much of it. People need an easier way in” (Wales).*

Similar criticisms were made of the website:

*“The website is fantastic but can be a minefield because there is so much in it ..... Groups need to get to the key information quickly - once they ‘get it’ they may well go on to read the detail” (London).*

BIG staff are also concerned that there is a gap in the information provided to applicants. More than half of those interviewed felt improvements were needed in this area:

*“Either people aren’t reading BIG guidance or they are reading it and not getting it – either way, something needs to change” (BIG staff).*

Some had developed their own simple guidelines and checklists. They stressed that they were not trying to undermine the formal systems but that, in practice, they needed something better if they were to help applicants:

*“We need this because the guidelines and the summary web documents are confusing applicants. They give examples that aren’t relevant” (BIG staff).*

Applicants had a number of ideas about how BIG could make its written guidance easier to manage – generally focussing on shorter, less dense written materials, a wider range of examples and clearer direction about what BIG wants:

*“It would be great if they could produce a series of ‘10 handy hints and tips’ – saying ‘at the Lottery we get a lot of this, this, this and this - but what we are looking for is this, this and this’” (service charity, Wales).*

Other ideas included building a resource bank for applicants of ‘real life’ outcomes from successful applications and capturing key definitions and core programme information on video, making them available on the internet.

### **6.4 When did applicants use support?**

Applicants were asked if and when in the process they sought support from other people within BIG, from infrastructure organisations or from other advisers. 40% of

online applicants reported that, other than accessing written information, they had not had any help in developing their SMART outcomes (although the telephone findings suggest that this may be an overstatement). Of those that did seek help, 30% looked for it prior to submitting their application, 26% during the first stage of the application process (if it involved an outline process or a two stage process) and 44% during later stages of the assessment process.

The telephone interviews, with 102 applicants, offer a more detailed picture, showing who had sought support more than once in the process, who looked for help once the grant had been agreed, and who had sought support but not been able to find any (figure 10). Only 22% of applicants interviewed sought advice before submitting their application, although a further 16% reported asking for help at a number of stages.

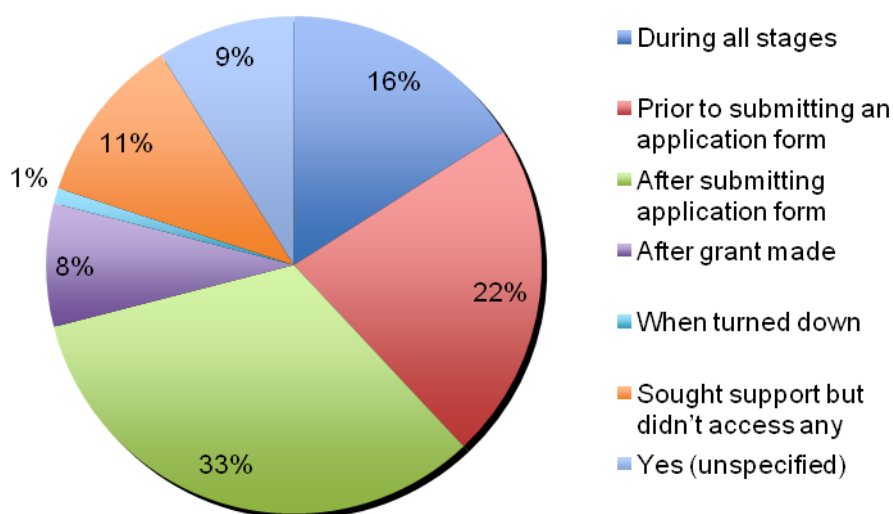


Figure 10: When during the application process was support sought? (telephone)

Overall the interviews found that 11% of applicants who sought out support did not receive any at any point in the process, largely because they could not easily find someone to help and became discouraged. Of those who did not seek support, many said they were experienced in applying and simply went ahead in the normal way.

### 6.3 Who uses what support services?

Online respondents identified who they went to for support with their application. BIG staff – and grants staff in particular – dominate this category, with a range of other types of adviser at significantly lower levels (figure 11).

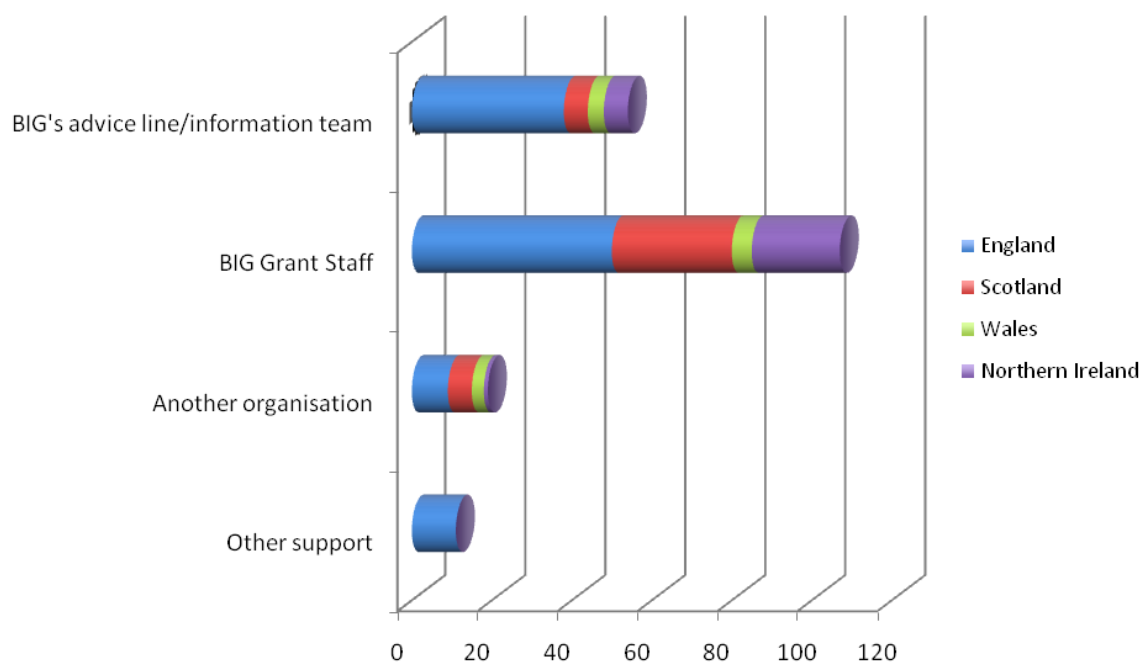


Figure 11: Where did you seek support in developing your SMART outcomes? (online)

This finding reflects the stage in the process when applicants sought advice. For many, 'support' is simply part of the assessment process, as they engage with BIG staff in various ways to progress their application.

Councils for Voluntary Service (or their equivalents) and local authority funding advisers were the main external organisations mentioned as providing support. Those who used other support had largely sought help from a more experienced organisation or individual (one of their trustees, for example).

### 6.3.1 Variations by country

When the figures are analysed on a country by country basis, some minor variations were found (figure 12). All show the importance of BIG as a source of guidance to applicants on developing SMART outcomes. Northern Ireland applicants are proportionately less likely to use external support agencies (at less than 5%), reflecting the high level of engagement of BIG staff with the Live and Learn Programme applicants.

Applicants in Wales were most likely to use external advice (25%). This is likely to reflect the model used in Wales for the People and Places programme, which contracted out pre-application support to an external organisation.

Applicants to the high volume programmes studied in both Scotland and England were more varied in their approach.

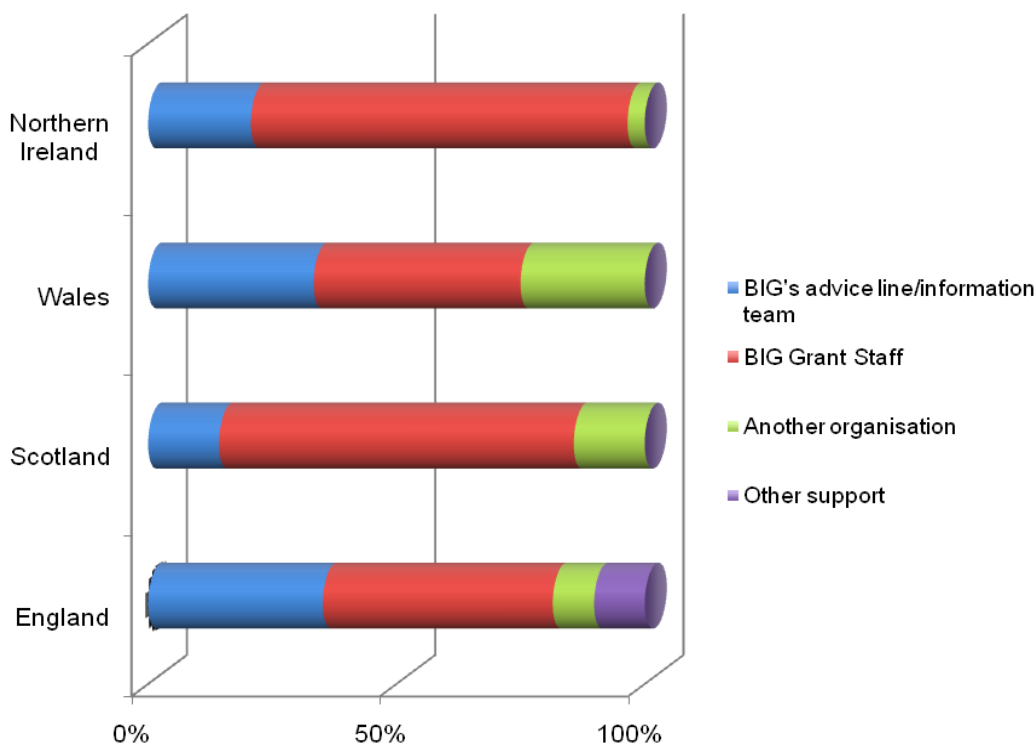


Figure 12: Where did you seek support in developing your SMART outcomes by country? (online)

### 6.5 What do organisations want from advisers?

Generally applicants want to be sure that the people they go to for advice know what they are talking about. They want advisers who are not just good fundraisers or experienced in setting outcomes but who really understand BIG's approach and can give them clear, focussed advice on how to express themselves in a way that gives them the best chance of success. For many, this means the only reliable source of support is BIG itself – and grants officers in particular:

*“We hope the Lottery will always offer this kind of help. The grants officer knows what we are trying to do and they know what the committee is looking for. They helped us get the language right - and that helps all parties be clearer about what the benefits of the project will be” (community organisation, SW England).*

For others, there are risks in asking for support from the organisation that will be judging your proposal:

*“It is very important to keep the advice independent of BIG so that agencies don't have to worry about saying the wrong thing” (community organisation, Wales).*

#### 6.5.1 Responses to different support models in BIG

It is clear from the interviews that applicants make little distinction between different people in BIG – other than between their grants officer and other people they may have contact with. They also tend to characterise every type of interaction with BIG as having the same broad purpose, which in this research we have called 'support'. They see little or no difference between the purpose of a surgery or training session, first stage feedback, an assessment or a negotiation meeting. The only clear exception to this is in programmes where BIG is using a grant-making model that involves working with applicants as potential partners, whose responsibility it will be to make grants on

BIG's behalf or to manage a substantial portfolio of projects (in this study, the Changing Spaces and Well Being programmes respectively).

Applicants do, however, make a distinction between how and where BIG's feedback is delivered. Many community organisations in particular feel it is impossible to judge a project without meeting the people:

*"They should come and see the project – to get a feel for what it and the people involved in it are really made of" (community social enterprise, Wales).*

First-time and inexperienced applicants also expressed a strong preference for face-to-face contact during some part of the assessment process:

*"It would be a huge help – I'm not used to working with people I haven't met, who haven't seen the work we are doing and don't have a feel of the neighbourhood . It makes it hard to put across what we do - and pretty intimidating" (first time applicant community organisation, W Midlands).*

Rural groups also felt that even sample visits would help BIG staff understand why rural services are so important, despite smaller numbers of beneficiaries:

*"They couldn't even get here by public transport except on market day and would have to bring a packed lunch with them – that would help them really understand the challenges for a village like ours" (rural community organisation, NW England).*

## 6.6 What do applicants use advisers for?

Overall 42% of applicants who had sought or received advice on their application had focussed on SMART outcomes. The next highest scoring topic was questions about the application process overall, at 26% (figure 13)

SMART outcomes	42 %
Application process overall	26 %
Filling in forms and understanding definitions	8 %
Funding options and suitability to apply	8 %
Strengthening the application	5 %
Had been unsuccessful/wanted clearer feedback	5 %
Various queries	8 %

Figure 13: What did you seek advice in relation to? (telephone)

As most applicants receive their support from BIG, it seems likely that the emphasis on SMART is at least in part driven by BIG's focus on this issue in the assessment process. Some applicants felt that this was BIG's overriding concern:

*"95% of the form is ignored completely in the assessment – they spend all their time on SMART outcomes and the numbers" (service charity, London).*

## 7. Impact of support

### 7.1 How useful did applicants find the support they received?

Both online and telephone respondents were asked how useful they found the support they received. The majority of applicants found the support helpful, with only a minority reporting serious dissatisfaction. The baseline figures from the online survey showed

that 90% of those who received support said it helped them with their application to BIG, although many highlighted ways in which it could be improved. Through the telephone and face-to-face interviews it was possible to investigate this more fully and gather specific examples of what people found most useful and what was found less useful. These are set out below.

### 7.1.1 What applicants found helpful

The 63% of interviewees who gave unqualified positive feedback reported that BIG staff and other advisers helped them focus and clarify their application:

*“The grant officer was really helpful in making sure we conveyed what we wanted to as well as possible” (small community organisation, Yorkshire & the Humber).*

Of those who sought help, 28% specifically mentioned that it helped them in firming up SMART outcomes:

*“Yes it was helpful - absolutely. The grants officer told me to think about the outcomes in a different way and not to be afraid of only submitting four rather than the five there is space provided for” (medium sized service charity, London)*

*“BIG staff were accessible and very helpful. They manage to give advice without being at all leading, which is a great skill” (service charity, SW England).*

The research suggests that it is contact with grants officers in particular that helps organisations gain a better understanding of SMART outcomes. When the source of support was cross-analysed against how easy applicants found it to use SMART outcomes, those who found it easy had been advised by grants staff (figure 14)

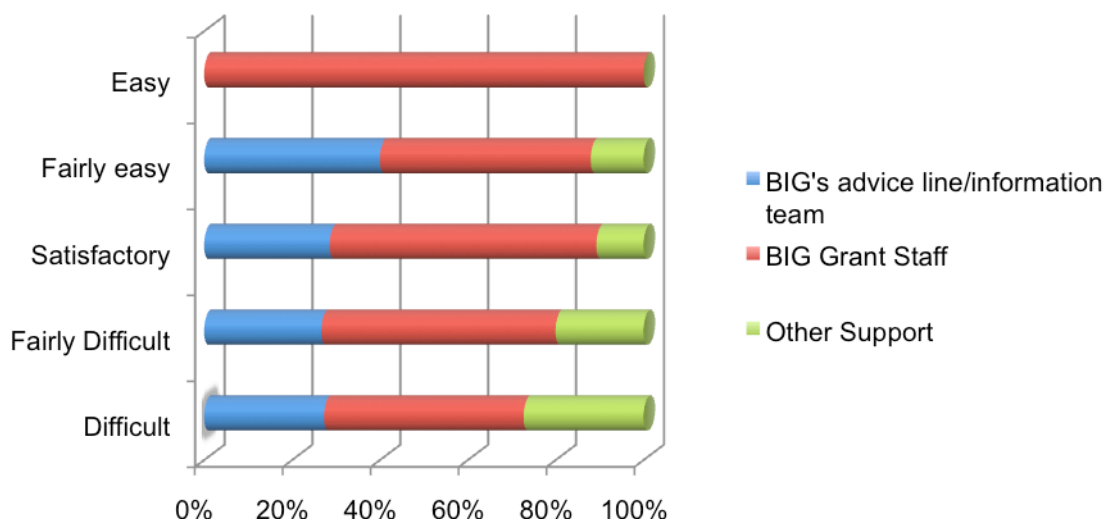


Figure 14: Source of support compared with ease of setting SMART outcomes (online)

Some reported that they gained a better understanding of the application process overall and of the detail of wording and questions. And many who spoke to BIG staff found them helpful in getting applications into the right language:

*“The information line was particularly helpful and I had several conversations to help me word our outcomes correctly – the raw information was there, but I would have*

*struggled to convey that properly. I think it's a great service" (community organisation, East of England).*

Those who used external advisers reported on the value of a fresh eye on their applications.

It is interesting to note that many applicants who were unsuccessful still made positive comments about the support they had received from BIG:

*"I had advice during both 1st and 2nd stage and I was able to get information and clarity to support my application. We submitted an excellent application – but it was unsuccessful due to demand" (service charity, Yorkshire & the Humber).*

### **7.1.2 What applicants found unhelpful**

Reservations about support received mostly focus on inconsistency of advice from different people or at different times in the application process:

*"They dealt with every submission as a completely new application giving us different advice each time. And one outcome that had been approved in our first two tries was then criticised at the third attempt. It felt like it came down to one individual's interpretation - there was no consistency" (service charity, London).*

Some simply found it difficult to get good quality advice:

*"The Lottery helpline was not very clear. We came away feeling more confused. And the local consultant wasn't much good either" (social enterprise, NW England).*

There is also criticism of formal written feedback from BIG as confusing and unhelpful, particularly when compared to one-to-one discussion and feedback by phone or in person:

*"They explained to us [in person] that our application had been turned down because the outcomes weren't sufficiently numerical. I hadn't understood that at all from the rejection letter. I nearly binned it then decided to ring the Lottery to ask why. But the phone assessor was helpful at picking up our weak points. I thought she was terrific" (community organisation, SE England).*

Research highlights that many applicants and support agencies see feedback to unsuccessful applicants as a critical part of the support process that BIG offers:

*"When agencies come back to us they are often confused about the reasons for failure – proper personalised feedback will help them do better next time" (support agency, NW England).*

There are clearly challenges for BIG in balancing the requirements of consistency and a clear end to the process with applicants' need to know more:

*"People want more detailed feedback – but when we give it, they are more likely to say it isn't true" (BIG staff).*

There is also a need to provide more specific feedback even where an application has been unsuccessful due to the level of competition for funds. An analysis of MERLIN data for the large Reaching Communities sample used in this research showed that

some 81% of rejected applications were given 'insufficient funds' as the reason. Applicants know that BIG committees do not select randomly: they make a judgement between competing bids. So they are not convinced by the reasons given and make guesses about why their application was turned down. If they are wrong this is no help to them in making a better application in the future:

*"We were given inconsistent advice and two completely different reasons for rejection – I understand neither of them and feel completely confused and left in the dark" (service charity, Scotland).*

## **7.2 Did advice influence the development of outcomes?**

Telephone interviewees were asked if the advice they were given influenced the outcomes submitted in their final application. Around two-thirds reported that their outcomes were revised as a result of advice/support given, although a significant number said that this was a question either of summarising them more clearly or "tweaking the language to fit with BIG's style" (service charity, East of England).

Those that reported a positive impact on their application most often described this in terms of helping their planning:

*"Additional [SMART] detail was helpful in terms of thinking about delivery. It helped us to articulate the technicalities" (service organisation, Northern Ireland).*

Many of those who reported more substantive changes from their discussions with BIG were unhappy about the results. Some who were genuinely looking for help in explaining the changes their project could make were frustrated by the nature of the feedback given:

*"It wasn't proper guidance, just BIG staff telling us what we needed to put in. It's nothing to do with what you think is useful – but it did secure the funds" (service charity, W Midlands).*

Others – often those working in organisations trying to achieve a lot of soft outcomes – felt they were constantly adjusting how they presented themselves because their outcomes were not well understood:

*"We revised them time and time again as they clearly didn't understand the achievable outcomes that we could deliver in our community" (service charity, SW England).*

## **7.3 Why do some applicants not use support services?**

As discussed above, some experienced applicants see little benefit in using external support, either from BIG or from independent advisers:

*"We felt the consultants were a bit embarrassed about being asked to support us – we had already done everything they suggested and more. But I do think it would be helpful for less experienced groups" (community organisation, Wales).*

However, a surprisingly large number of applicants reported that they did not know that BIG has made grants to some independent support agencies for the purpose of capacity building in the sector, or that it provides information resources and briefings to a much wider network to help them offer advice to local organisations seeking funding. They were also unclear about who they could speak to in BIG at the pre-application stage. Experienced organisations with existing relationships with grants officers tended

to go straight to them wherever possible. First time applicants reported considerable confusion. Independent support agencies confirmed that some applicants simply did not know that BIG would be willing to help them:

*“It never occurs to groups that they can pick up the phone and ask someone at BIG if they get stuck” (E Midlands).*

Others may lack confidence in approaching them:

*“A lot of small groups – especially where English isn’t their first language – don’t have the negotiation skills or confidence to phone and speak with authority about why changes are needed and argue the case” (London).*

Some also reported that their own capacity to support applicants was limited because of pressure on their time and funding:

*“It’s tough for those helper agencies that don’t get BIG funding. Supporting a group on a large application can take more than a week to do - and we don’t have any core funding that pays for this.... It would be fairer either to give some support to all helper agencies or have a local resource we could refer people on to that is funded to provide more intensive support” (Yorkshire & the Humber).*

## **8. The impact of the outcomes approach on applicants and their practice**

### **8.1 Impact on planning**

Telephone interviewees were asked when and how they developed the SMART outcomes they used in their applications. The response was evenly divided between those who develop outcomes as part of their organisational planning process (35%), as part of the project’s development (34%) and specifically for the application (31%).

For applicants who had developed their SMART outcomes specifically for the funding application, some reported that this is just a logical extension of the way they plan:

*“We use an outcomes planning approach but we don’t get down to being quite as SMART as the Lottery needs” (service charity, SE England).*

Many, however, acknowledged that applying for funds involves some adjustments in priorities or emphasis:

*“We would never change a project’s outcomes to fit a funding stream - we may just emphasise particular areas to make a better fit” (service charity, Wales).*

Others were clear that what their organisation does day to day is inevitably shaped by the funding environment:

*“We have our mission and objectives - but you have to fulfil them through whatever grant regimes are available” (service charity, Yorkshire & the Humber).*

Telephone respondents were also asked if using SMART outcomes had helped them develop their planning and management more generally. Overall 38% reported some positive impact, saying that the application process had shaped their thinking:

*"It has encouraged us to focus on what we want to achieve not what we want to do" (community organisation, Scotland).*

or that it had helped them think more rigorously about how to judge their performance, building a sounder base for monitoring and evaluation.

Of the 62% who said that SMART outcomes had made no difference to their planning and management, a large number was already using some kind of outcomes planning approach. But some remained completely unconvinced that SMART outcomes had any relevance or value:

*"Everyone should be able to say what they do and what they want to achieve - the fairytale is how many people are going to get something out of it. These are all guesstimates at best" (large community organisation, NE England).*

## **8.2 Impact on fundraising**

### **8.2.1 Improving future applications to BIG**

Within the online survey applicants were asked how confident they would be communicating SMART outcomes in future applications. Overall 54% said they would be fairly confident, 31% would be confident, 21% wouldn't be confident. When cross analysed against the type of support that had been received it showed that those who had received support from BIG grants staff were more likely to be confident about communicating SMART outcomes in the future

### **8.2.2 Applying to other funders**

When asked whether the SMART outcome approach had helped them with making applications to other funders, 43% of telephone interviewees confirmed that it had. The most common positive comments was that the experience had helped them build their skills and confidence in making applications. Some reported that, in particular, they felt more comfortable with communicating outcomes:

*"Although it takes a lot of work, it provides a mini business plan, which we have been able to cut and paste for a range of funding applications" (community organisation E Midlands).*

Again, many of those who reported no benefit are already experienced fundraisers. But nearly 20% of them commented that inconsistency in funders' practice means learning how to apply to one can be little help in applying to another.

Comments from many applicants confirm that BIG's requirements have a strong influence on the way organisations apply and structure their work for funding applications, if only because of its wide geographical reach and the large number of organisations funded. Although BIG is recognised as a leader on outcomes funding, applicants also feel others have developed practices which BIG could learn from:

*"Although many funders are using the outcomes approach now, this is one of the most difficult forms to fill in. The problem isn't so much with the outcomes section but with all the questions leading up to it, which often seem to repeat themselves. You have to look so carefully at how they want it answered, rather than really putting forward what your project is about. So much of the process is about fitting yourself into what they want you to say that it is very easy to go wrong" (service charity, SE England)*

*“At the moment writing a successful BIG outcome generally means saying ‘we want to do this (activity/output) for this many people (output) so that they can do something (activity/output), which indicates that they are achieving something else (outcome). Another application we made recently simply had a single outcome and a series of milestones designed to indicate progress towards our outcome. This works well – it keeps the focus on change but separates the different elements much more clearly” (regularly funded service charity, E Midlands).*

## **Part 3 – Review and Recommendations**

### **9. Summary of findings**

#### **9.1 The outcomes approach and SMART outcomes**

The majority of applicants are positive about the outcomes approach but much less positive about BIG’s approach to SMART outcomes.

Their concerns are:

- There is too much emphasis on quantitative over qualitative outcomes
- Some types of work are harder to present in this way (particularly using quantitative measures), either because of the nature of the service or the stage of its development
- The process of writing SMART outcomes is complicated, confusing and lengthy.

Independent advisers largely agree with these views. They also suggest that a focus on SMART outcomes may obscure other areas where improved skills are needed, such as building and using evidence of need.

The strongest shared characteristic of applicants who find the outcomes process easy is that they have previous experience of using it or something like it.

Size and type of organisation or their geographical location are not predictors of confidence with the approach.

Small groups can struggle to find the resources to deal with such a long application form and assessment period.

Milestones too often focus on tasks to be completed, rather than significant indicators of success in working towards outcomes.

Applicants feel pressure to set unrealistic numerical milestones and are anxious about the consequences of not achieving them.

Where there are difficulties in matching outcomes to BIG programme outcomes, these generally arise from difficulties over language or guidance. But some struggle to fit in without compromising their outcomes.

#### **9.2 Support services and resources**

BIG’s written guidance is clearly expressed but the volume and level of detail makes it hard to access and use.

There are inconsistencies between written outcomes guidance and how BIG's practice has developed since these core documents were published.

Applicants want good quality advice that will help their application succeed. Most look to BIG staff for advice, and generally see grants officers as the most reliable source, because of their role in the assessment process.

Many – especially those who are inexperienced applicants or feel the need they aim to meet is poorly understood – strongly prefer some face-to-face contact.

Most applicants find that the support they receive from BIG and others is helpful.

Inconsistent, conflicting and standardised feedback are all sources of concern.

Outcomes are shaped by the support process – although this is largely seen as a question of language rather than substance.

### **9.3 The impact of the outcomes approach**

Many organisations are now using outcomes in their planning: 38% say applying to BIG has influenced this positively.

Just under a third developed SMART outcomes specifically for their BIG application.

43% reported that applying to BIG has helped them apply to other funders – but that there is still considerable inconsistency and more scope to share good practice.

## **10. Recommendations**

This research study aimed to draw on the experience of applicants as well as the research consultants' expertise to help the Big Lottery Fund in improving and developing its outcomes funding approach for the future. Clearly a study of this kind highlights a range of opinion and raises many questions of detailed practice. However, four key areas have emerged where action by BIG could significantly improve applicants' experience of applying for funds, without in any way jeopardising the focus on tangible change that is at the heart of BIG's mission.

### **10.1 Keeping outcomes simple**

The introduction of SMART outcomes was designed, at least in part, to enable BIG to assess and demonstrate the impact of its funding in a wide range of projects across the UK. From an applicant's perspective, the effect has been to over-complicate the outcomes process. Very few question the need to adopt SMART measures. But significant numbers find the current approach difficult. They are confused by the need to capture both the change they are trying to achieve and the success measures they will use within a single outcome statement.

Our recommendation is that BIG reverts to a more conventional definition of an outcome, with the obligation to be SMART placed with activity objectives and targets. This allows organisations to state clearly what difference they aim to make and why this is important to their community or beneficiary group. They can then separately show how they will demonstrate progress towards creating that change in an accountable way.

There needs to be more scope within BIG's outcomes approach for applicants to lead with qualitative as well as quantitative outcomes. We would also recommend that BIG focuses more on quality than quantity in terms of numbers of outcomes to be delivered. When applicants feel obliged to promise more than they believe they can reasonably achieve, demonstrating progress towards outcomes can become a funding requirement rather than an organisational driver. Allowing organisations to propose one quality outcome supported by clear evidence of achievement (linked directly to evidence of need) would be much more beneficial than five or six unrealistic or poorly-defined outcomes.

### **10.2 Focussing support on identifying and achieving outcomes rather than the way they are presented**

This study indicates that the focus on SMART outcomes has drawn attention away from other parts of the process of developing and implementing projects that deliver change. Different applicants need support with different parts of this process. For example, there is an emerging argument that weakness in SMART outcomes comes more from a lack of skills in evidencing need than it does from a poor understanding of what an outcome is. Others may need to focus on the challenges of monitoring outcomes or of effective project planning and delivery. In thinking about how and where to use its support resources, BIG should be driven by how best to support the successful achievement of outcomes, and less time on the language and format in which they are presented.

### **10.3 Improving elements of the application process**

The current application form is seen by many as repetitive and confusing in how it deals with outcomes. A review of how outcomes are expressed offers an opportunity to put this right. Creating more capacity for face-to-face assessment visits for small organisations making their first application would also be seen as a positive way of keeping BIG funds open to new groups. While recognising the difficulties with this, BIG needs to find a better way to provide feedback to unsuccessful applicants that helps them make realistic judgements about how to improve their prospects of success.

### **10.4 Streamlining written guidance**

BIG has put great effort into developing an accessible house style and clear, comprehensive guidance. The challenge now is to make the content much more accessible. If decisions are made to change the outcomes approach, this will allow internal inconsistencies in outcomes guidance to be ironed out. Our recommendations then would be that the focus is less on new content and more on how information is structured and presented to be accessible to applicants of different kinds and at different stages of development. This would mean, for example, taking an imaginative look at 'layering' written information, how to make websites designed for a range of audiences more responsive to the needs of applicants, and pushing information from the website out into other sites in a variety of forms – video and audio as well as written.

### **10.5 Knowledge management**

BIG has rightly been recognised as taking a lead in developing ideas around outcome funding and for trying to implement them in a thoughtful and enabling way. It has always understood that outcomes are about more than numbers and that a combination of qualitative and quantitative measures are needed to understand the effective delivery of social change. We hope that this report will help BIG reshape its outcomes approach for the future so that it can continue to encourage all applicants to focus on the 'why' rather than the 'what' of their work.