

---

**Arts Council England**

**Evaluation of Catalyst Year 3**

**Full report**

**BOP Consulting**

January 2016

---

**BOP**  
Consulting



# Credits

## Written and prepared by

Rossella Traverso, Richard Naylor, Caroline McCormick, BOP Consulting

—  
**BOP**  
Consulting

# Contents

Executive summary .....	5
<b>1. Introduction.....</b>	<b>10</b>
1.1 Background and aims of the programme .....	10
1.2 Aims of the evaluation .....	11
1.3 Methodology .....	12
1.4 Evaluation framework .....	13
<b>2. After the end of the programme .....</b>	<b>16</b>
2.1 Activities.....	16
2.1.1 What fundraising activities have grantees carried on doing? .....	16
2.1.2 How many organisations used Information and Communication Technology (ICT) tools and how did these tools help? .....	17
2.1.3 How many organisations used crowdfunding and how did crowdfunding help?.....	19
2.1.4 Are fundraising activities cost effective?.....	20
2.1.5 To what extent has Catalyst specifically supported these activities? .....	20
2.1.6 Are these fundraising activities likely to be sustained? .....	21
2.2 Organisational change.....	22
2.2.1 Do organisations now have a formal fundraising strategy?.....	22
2.2.2 Have organisations been able to develop capacity and expertise in fundraising? .....	23
2.2.3 Is there an established culture of fundraising within the organisation? ....	24
2.2.4 A closer look at Boards of Trustees.....	25
2.3 Financial impact.....	26
2.3.1 Increased philanthropic revenues.....	26
2.3.2 Change in overall revenue streams.....	27
2.3.3 Contribution of Catalyst to increasing philanthropic revenues .....	28

2.3.4 Number of donors approached and donor retention rates.....	29
<b>3. Individual programme strands.....</b>	<b>30</b>
3.1 Tier 130	
3.2 Tier 231	
3.2.1 Impact of the end of match funding.....	31
3.2.2 Further challenges encountered by Tier 2 organisations.....	32
3.3 Tier 333	
<b>4. Good practices from Catalyst grantees .....</b>	<b>35</b>
4.1 Key components and principles of good practice .....	35
4.2 Mission and vision – distinctive .....	35
4.2.1 Designing a compelling case for support .....	37
4.2.2 Developing a mission and vision led fundraising strategy .....	37
4.3 Governance and internal culture – entrepreneurial.....	37
4.3.1 Building consensus to create a fit for purpose governance .....	38
4.3.2 Engaging the wider organisation.....	38
4.4 Marketing and external communications – relationship-led .....	38
4.4.1 Understanding donor motivations .....	39
4.4.2 Promoting the organisation as a charity.....	39
4.4.3 Using consistent messaging .....	39
4.4.4 Developing a tailored approach to cultivate donors .....	40
4.5 Innovative fundraising .....	40
4.5.1 Identifying fundraising assets.....	40
4.5.2 Identifying innovative ways to foster internal and external collaboration .....	41
4.5.3 Formulating innovative fundraising packages.....	41
<b>5. Conclusions.....</b>	<b>42</b>
5.1 Meeting the aims of the programme .....	42

5.2 The distribution of benefits.....	42	6.3.4 Artspace Cinderford .....	63
5.2.1 The three tiers.....	43	6.3.5 DanceXchange.....	64
5.2.2 Organisations' demographics .....	43		
5.2.3 Adaptive resilience: an ongoing challenge .....	44		
5.2.4 The contribution of the programme .....	44		
<b>6. Appendix .....</b>	<b>45</b>		
6.1 List of interviewees .....	45		
6.1.1 Stakeholders.....	45		
6.1.2 Donors .....	45		
6.1.3 Tier 1 organisations .....	45		
6.1.4 Tier 2 organisations .....	46		
6.1.5 Tier 3 organisations .....	46		
6.2 Short case studies .....	47		
6.2.1 Designing a compelling case for support.....	47		
6.2.2 Developing a mission and vision led fundraising strategy.....	47		
6.2.3 Building consensus to develop a fit for purpose governance .....	49		
6.2.4 Engaging the wider organisation across all levels and departments .....	49		
6.2.5 Understanding donor motivations.....	51		
6.2.6 Promoting the organisation as a charity .....	51		
6.2.7 Using consistent messaging.....	52		
6.2.8 Developing a tailored approach to cultivating donors.....	53		
6.2.9 Identifying fundraising assets .....	54		
6.2.10 Identifying opportunities for internal and external collaboration .....	55		
6.2.11 Designing an innovative fundraising strategy .....	56		
6.3 Long Year 3 case studies .....	57		
6.3.1 Ministry of Stories .....	57		
6.3.2 New Writing North.....	59		
6.3.3 Create Gloucestershire.....	61		

# Executive summary

In April 2014, BOP Consulting was commissioned by Arts Council England to undertake the evaluation of their Catalyst programme. Catalyst was a £100 million culture sector-wide private giving investment scheme aimed at helping arts organisations to diversify their income streams and to access more funding from private sources. It was made up of investment from Arts Council England, Heritage Lottery Fund and the Department for Culture, Media and Sport (DCMS).

Arts Council England's total investment in the scheme amounted to £70 million, including a commissioned grant of £2 million allocated to the Arts Fundraising and Philanthropy training programme. The programme closed in August 2015. The evaluation was longitudinal and ran until after the end of the programme, to November 2016. This report is the final published output from the evaluation.

## Background and aims of the programme

Fundraising from private sources, philanthropy and endowments has long been understood as an important income-raising approach in the American arts and cultural sector and in other UK charity sectors. However, awareness of this has only relatively recently gained traction within the English arts and cultural sector. For Arts Council England, the Catalyst scheme represents one of the key measures that it is putting in place to “help create a more sustainable, resilient and innovative arts sector”.

The Catalyst programme consists of three “tiers”, each with differing processes and emphases, and aimed at organisations with differing levels of existing practice and expertise in engaging in philanthropy and fundraising. The aims of the programme are:

1. Build the capacity and ability of arts organisations to fundraise
2. Incentivise giving to the arts, particularly from new donors
3. Contribute to an increase in the diversification of income sources, thereby increasing arts organisations' resilience

4. Support a long-term culture change/shift in arts organisations towards fundraising

## Methodology

The evaluation undertook a mixed method approach, which included:

- interviews with stakeholders
- a literature review of arts philanthropy in the UK
- in-depth interviews with donors, covering a range of trusts and foundations, as well as high net worth individuals (HNWIs)
- interviews with all Tier 1 organisations and a number of Tier 1 supporters
- qualitative case studies with 31 Tier 2 and three Catalyst recipients
- qualitative case studies with five non-Catalyst organisations that had applied to the Catalyst programme but were unsuccessful, in order to explore the counterfactual
- two detailed national online surveys of Catalyst beneficiaries in Year 1 and Year 3
- data gathered from four national learning events with Catalyst grantees in Year 1 and Year 3
- an analysis of Arts Council England management data for Tier 1 and Tier 2, both descriptive statistics and regression analysis

## Summary of key findings from Year 1 and 2

The Year 1 evaluation explored how Catalyst grantees were building their fundraising capacity and expertise. Our research identified a specific set of actions and activities that grantees were undertaking, but also the more structural changes that were being made to organisations' governance, processes and strategies.

Overall, findings from Year 1 suggested that the programme acted, as its name suggests, as a catalyst. The funding support gave the organisations the confidence to try new pathways and experiment with new tools and strategies, and it greatly de-risked the experimentation process. Catalyst contributed towards making the case internally for fundraising within arts organisations and this contributed to increased internal resources, skills and capacity. As a result, most organisations approached new donors and the share of overall revenues accounted for by private giving increased incrementally to 12 per cent.

Year 2 findings provided further evidence of these benefits, adding more depth and nuance to our findings and shedding greater light on the financial impact of the programme. The financial analysis of private income raised by grantees in Year 2 suggested that, while not all Tier 1 and 2 organisations had met their financial targets for match funding, significant sums had been raised (£49.5 million across the programme) – such that they were slightly in excess of how much the Arts Council had invested in the beneficiary organisations (£48.5 million).

Year 2 also showed that larger organisations are more likely to be able to raise greater sums of private giving income. However, the same analysis provided only *some* empirical support to previous evidence that suggests that being based in London is associated with a greater ability to raise private giving income. The results were not unequivocal and in fact there were some that challenged the conclusion that “geography is destiny”. Instead, the evaluation results for the Catalyst grantees suggest that there are still improvements that can be made in terms of internal organisational factors that will increase the ability of arts organisations outside London and the South East to fundraise.

Finally, both the Year 1 and Year 2 evaluation reports documented how the match funding element of both Tier 1 and Tier 2 was widely welcomed. It made it more attractive for donors to give (both new and existing ones), at the same time as organisations were improving their ask. In this way, it provided forward momentum to the organisations’ fundraising efforts, creating the best possible conditions for them to succeed.

### Summary of key findings from Year 3

Year 3 focused on assessing the degree to which the fourth aim of the programme was achieved, namely whether Catalyst has helped to develop a long-term culture change/shift in organisations towards fundraising.

The findings of this year’s evaluation are largely positive in this respect. Catalyst has left a sustainable legacy for most organisations, which is likely to last into the medium if not long term (which is always harder to assess as it is further away).

Evidence for this conclusion is provided by:

- the majority of organisations’ continuation of fundraising activities: 86 per cent of organisations have continued to launch campaigns, and to invest in capacity building activities like training (72 per cent) and consultancy (47 per cent), as well as activities that build support bases, like membership schemes (46 per cent)
- a commitment across the majority of organisations (88 per cent) to maintain or increase the level of resources allocated to fundraising, and a greater focus on planning, effectiveness and monitoring of fundraising
- the considerable organisational change undertaken by grantees. Some of the most significant data in this respect is:
  - 87 per cent of organisations now have a written fundraising strategy with clear targets and goals (compared to 30 per cent in Year 1)
  - 52 per cent of organisations recruited new Board members
  - 48 per cent of organisations have developed new dedicated fundraising posts
  - 37 per cent of organisations have been able to sustain new roles and 22 per cent have been able to sustain at least some new roles
  - 64 per cent of organisations report that they have increased their planning timeframes for fundraising

These organisational changes suggest that Catalyst has helped establish a culture of fundraising within their organisations, the greatest benefits of which will be generated in the medium to long term. The continued commitment to fundraising within their organisations and within their organisational cultures

means that they have not shrunk back to the position they were in before the programme started as soon as the grant funding ceased.

Further evidence of the sustainability of organisations' enhanced fundraising capacity post-Catalyst is the dramatic turnaround in the cost benefit of fundraising within organisations from pre-Catalyst to post-Catalyst, with the majority (67 per cent) now reporting their fundraising activities are cost-positive. This constitutes a 34 percentage point increase from Year 1, in which only 33 per cent of grantees reported that their fundraising activity was cost-positive<sup>1</sup>.

The financial impact reported by organisations in Year 3 provides further positive evidence, showing that grantees have been able to attract and retain new donors following the end of the programme. The proportion of philanthropic revenues to overall turnover has also kept rising, and philanthropy now accounts for 14.7 per cent of overall revenues (against 12.7 per cent in Year 1).

### **The distribution of benefits**

The evaluation brief also asked us to look at distributional questions, namely are there organisational characteristics that have meant that some organisations have benefitted more than others?

#### **Tier 2**

In terms of programme design, the Year 3 findings show that organisations that participated in Tier 2 have consistently experienced more benefits than those in Tier 3. This is evidenced by: greater investment in long-term fundraising infrastructure (e.g. membership schemes, ICT systems); a significant increase in cost effectiveness of fundraising activities; a greater increase in Board engagement; bigger increases in the number of dedicated posts; longer planning timeframes; and a considerable increase in philanthropic income.

There are very good reasons for this, both in terms of programme design (Tier 2 organisations benefitted from higher grant income than Tier 3 organisations, so the intervention was larger), but also in terms of the grantees themselves (Tier 2 organisations already had some experience in fundraising).

The match funding and capacity building formula of Tier 2 forms the basis of the follow-up Arts Council Catalyst Evolve programme, while widening out the beneficiary pool to organisations with less fundraising experience, and this year's results support this programme design choice.

#### **Tier 3**

Of course, this is not to say that either Tier 3 or Tier 1 of the programme did not also produce results. This year's survey results suggest that almost three quarters of Tier 3 organisations found the experience of working in consortia (as required under the terms of Tier 3), was a positive one, and just over half of organisations have continued to collaborate with some of their consortia partners since the programme has finished.

#### **Tier 1**

The Year 2 report looked in some depth at the experience of the Tier 1 endowment organisations within the Catalyst programme. Despite some initial challenges, individual organisations had learnt much and in the main, gained tremendously through their participation in Tier 1. Taken as a group, they showed that endowments can be relevant for many larger arts organisations, providing a valuable and distinct element within an organisation's funding mix. This year's evaluation strengthens these findings.

### **Geography**

Concerning the "demographics" of the organisations themselves, the Year 3 survey results continue to show encouraging results for the Catalyst beneficiaries based outside London and the South East. Organisations in the Rest of England have since made greater investment in training and upped the number of dedicated fundraising posts more than their peers in London and the South East. This would suggest both that there is still a greater need for fundraising capacity and expertise in arts organisations outside of London and its environs, but also that this gap is actively being addressed to some extent.

---

<sup>1</sup> Generated more income than it costed.

### Good practices adopted by Catalyst grantees

The qualitative research conducted across all years of the evaluation contain plenty of evidence on what good practices influence the ability of arts organisations to fundraise. These encompass a range of good practice, including:

- designing a compelling case for support
- developing a mission and vision led fundraising strategy
- identifying fundraising assets
- developing fit-for-purpose governance
- establishing a culture of fundraising within the organisation
- understanding donor motivations
- using consistent and effective messaging
- deploying a tailored approach to relationship management
- designing an innovative case for support

### Forthcoming challenges

The majority of Catalyst beneficiaries have shown themselves to be capable of organisational change. The direction of this change also has clear commonalities: greater entrepreneurialism; more involvement in the fundraising mission across the organisation; stronger relationships with donors; and larger private giving revenues as a result.

However, since the end of the programme, the fundraising experience of several Catalyst grantees has still been challenging. In particular, although many Catalyst grantees were able to attract trust and foundation funding with the support of Catalyst, they are now finding that this is not a stable source of revenue: trusts and foundations are heavily oversubscribed and so often do not provide repeat funding to organisations. As a result, Catalyst beneficiaries are having to more regularly target individual giving, which many are finding more

difficult than trusts and foundations, particularly those which are non-venue based, do not sell tickets, or are umbrella organisations. How well they adapt to this next new challenge remains to be seen, although the behaviours and attitudes that most organisations have fostered through Catalyst should stand them in good stead. The different challenges of fundraising for different types of private giving income could be examined in more detail in the forthcoming evaluation of the follow-up Catalyst: Evolve programme<sup>2</sup>.

### The contribution of the programme

Lastly, in assessing the impact of Catalyst, it is important to consider the degree to which the changes and outcomes picked up by our evaluation can be attributed to Catalyst, or were more likely to be the result of other “confounding” external factors. The Year 3 survey shows that, for most organisations, the Catalyst programme *did* make a major contribution to (i) the activities that they undertook to improve their fundraising capacity and practice, and (ii) the financial outcomes of their fundraising strategies.

The Year 2 comparative case studies suggest how Catalyst might have had this effect, namely by enabling:

- greater ability to plan and think long-term, through building capacity
- dedicated time to identify and approach new donors – as opposed to relying on more reactive and opportunistic approaches from existing donors
- opportunities to develop fundraising expertise through training and the use of consultants that would otherwise be hard to justify financially

Overall, the results strongly suggest that Arts Council England’s investment in Catalyst, has paid dividends in contributing to real change in the sector related to private giving. The evaluation has also produced a wealth of material that contributes to a better understanding of current and good practice regarding philanthropy in the arts in England. This is of interest not just here in the UK, but

---

<sup>2</sup> Catalyst: Evolve is Arts Council England’s £17.5 million investment that builds on the Catalyst programme. Catalyst: Evolve will support organisations with a limited track record in fundraising to both build their capacity to earn philanthropic income and incentivise them through match funding.

also internationally, for the challenges that arts organisations in England face are not unique.

# 1. Introduction

In April 2014, BOP Consulting was commissioned by Arts Council England to undertake the evaluation of their Catalyst programme. Catalyst was a £100 million culture sector-wide private giving investment scheme aimed at helping cultural organisations diversify their income streams and access more funding from private sources.

The scheme was made up of investment from Arts Council England, Heritage Lottery Fund and the Department for Culture, Media and Sport (DCMS). The Arts Council's total investment in the scheme amounted to £70 million, including a commissioned grant of £2 million allocated to the Arts Fundraising and Philanthropy training programme.

The evaluation was longitudinal and ran until November 2016, over a year after the completion of the final projects in the Catalyst programme. This Year 3 report is the third published output from the evaluation and follows on from our previous Year 2 and Year 1 reports, published in February and November 2015.

In this document, our research assesses the legacy of the programme, as well as the sustainability of its overall contribution. This final report also draws from the three years of research to distil the learning and good practices adopted by Catalyst grantees.

## 1.1 Background and aims of the programme

Fundraising from private sources, philanthropy and endowments has long been understood as an important income-raising approach in the American arts and cultural sector and in other UK charity sectors. However, awareness of this has only relatively recently gained traction within the English arts and cultural sector. The introduction of a new coalition government in May 2010 in particular gave a new policy impetus to the agenda, with the DCMS announcing a 10-point plan in February 2012 to boost philanthropy across the sector. The overall Catalyst programme (ie across both the arts and heritage sectors) was a key element of

this plan and the Department has funded the endowment component of Catalyst.

For Arts Council England, the Catalyst scheme represented one of the key measures to:

“help create a more sustainable, resilient and innovative arts sector – one of the five goals set out in *Achieving Great Art and Culture for Everyone*, our 10-year framework for the arts.”<sup>3</sup>

The programme consists of three “tiers”, each with differing processes and emphases and aimed at organisations with differing levels of existing practice and expertise in engaging in philanthropy and fundraising.

- **Tier 1: Endowments** – these were 18 arts organisations granted £30,500,000 in total. The Arts Council England contribution provided match funding to arts organisations with a successful track record of fundraising to help them build endowments that provide an annual income over the medium to long term (the expendable endowments are required to be managed for a minimum of 25 years, ie to 2027). Tier 1 organisations had to spend Catalyst funding on additional artistic activities.
- **Tier 2: Capacity building and match funding** – the scheme supported organisations in building their fundraising capacity and capability. The awards were invested in organisations that are “committed to making a step change in their approach to fundraising so that they become more financially and organisationally resilient”. This tier was designed for organisations with some existing experience in fundraising that were committed to wanting to “raise their game”. The first year funds were dedicated to gearing up resources and building capacity, with the money in years two and three to be drawn down as match funding to incentivise donations. Tier 2 organisations had to spend Catalyst funding on additional artistic activity.

---

<sup>3</sup> Invitation to tender (ITT) for the Catalyst Evaluation, produced by Arts Council England.

- **Tier 3: Building fundraising capacity** – this strand was designed to increase capacity and expertise for arts organisations with an underdeveloped fundraising model. Unlike Tier 1 and Tier 2, the award was given to a consortium of organisations to work together collectively in the belief that “learning and skills will be embedded and reach more organisations if collaboration is at the heart of this scheme”.

Figure 1 below illustrates how the funds were disbursed across the three tiers, and how many organisations were in receipt of funds within each tier. As can be seen, the programme was large and ambitious, accounting for £68 million of investment from Arts Council England between March 2012 and August 2015 across 253 grants in three schemes and one commissioned grant<sup>4</sup>.

In summary, the Arts Council England Catalyst programme aimed to:

- build the capacity and ability of arts organisations to fundraise – with arts organisations adopting a range of tools and approaches to build capacity, fundraise and develop individual giving
- incentivise giving to the arts, particularly from new donors – with the aim that match funding and the adoption of new fundraising approaches from organisations provides a new spur to donors to give to the arts
- support a long-term culture change/shift in arts organisations towards fundraising
- contribute to an increase in the diversification of income sources for the arts (through fundraising and endowment income as appropriate), thereby contributing to their resilience and their capacity to deliver great art and culture in the long term

## 1.2 Aims of the evaluation

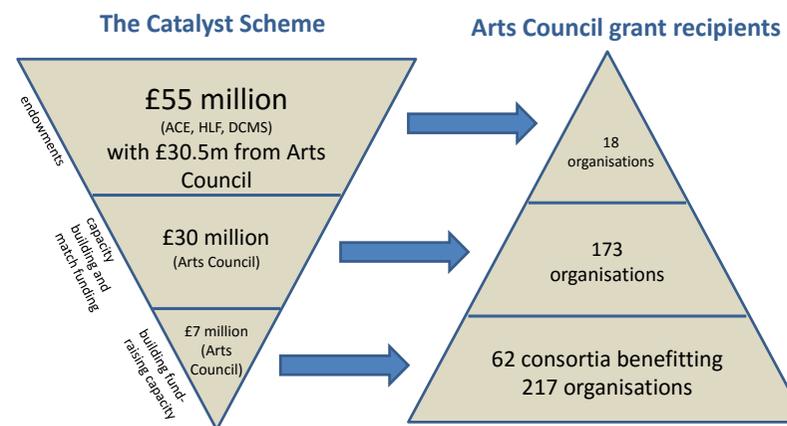
The evaluation ultimately aimed to deepen knowledge of philanthropy in the arts in the UK and improve Arts Council England’s and others’ policy and programme delivery in this area in the future. This was done through:

- understanding the impact of Arts Council England’s investment through the Catalyst scheme
- supporting the Arts Council to develop a future funding programme
- disseminating the resulting learning and knowledge

In turn, three sets of questions were set by Arts Council England in the brief for the evaluation:

- “Distributional” research questions: identify the impact of Catalyst in different regions and identify trends in the use of these tools and approaches by other key characteristics (eg size, artform, stage of development, organisation type, etc)

**Figure 1: Arts Council England Catalyst programme strands and grant recipients**



Source: BOP Consulting (2014)

<sup>4</sup> The Transforming Arts Fundraising programme (a £2 million grant for skills development and knowledge sharing across the sector) is also a part of Catalyst, but it is a commissioned grant and has a separate evaluation and therefore will not be covered in the scope of this evaluation.

- “Diagnostic”/learning questions: what were the key challenges and successes? Which tools and approaches seemed most effective, in which context? What factors enabled or hindered culture change? Were there any other factors that supported/hindered progress in fundraising? What legacy was left by the programme?
- “Dissemination”/policy questions: how transferable are the lessons learned? Are there any lessons for the Arts Council in improving investment in fundraising?

## 1.3 Methodology

The evaluation undertook a mixed method approach, based on the following tasks. For the full list of interviewees please see section [6.4, Appendix](#).

- **Interviews with stakeholders (2014)** – interviews were held with: the Head of Philanthropy at DCMS; the Head of Strategic Business Development at the Heritage Lottery Fund (HLF), who are running the sister Catalyst programme in heritage; Cause4, who are leading the consortium that is delivering the Arts Fundraising and Philanthropy Programme; and Spektrix, a company that helps organisations to use data from their box office systems for a range of purposes, including fundraising.
- **Literature review (2014)** – an overview of arts philanthropy in the UK, covering: a snapshot of general trends in philanthropy; the state of the arts in the UK in terms of how much is given to the arts, from what sources, and to which kinds of organisations; and finally identifying the barriers and enablers to giving to the arts, as identified by the literature.
- **Interviews with donors (2014)** – existing donors were interviewed whose experience covers both giving to, and fundraising for, the arts, as well as for other social causes. The 12 interviewees covered a range of different trusts and foundations and high net worth individuals (HNWIs).
- **Interviews with Tier 1 organisations and Tier 1 supporters (2015)** – qualitative interviews were carried out with all 18 Tier 1 organisations.

Participants involved in the interviews included those leading the Catalyst work (senior development and fundraising staff, finance directors, directors or chief executives). We have also held two interviews with two Tier 1 supporters who chose to remain anonymous.

- **Interviews with 31 Catalyst Tier 2 and 3 recipients (2014-16)** – interviews with 26 organisations from Tier 2 (x17) and Tier 3 (x14). This sample of organisations came from a range of artforms and from across England, representing the diversity of the programme. The interviews covered: what organisations had done through their projects as well as the challenges they had faced; what results they could already discern (if any); what they felt they had learnt through the programme (if anything); their experience of fundraising after the programme; and the extent of the programme’s legacy.
- As this is a longitudinal study, we revisited seven case study organisations through the course of the programme.
- **Interviews with counter-factual case studies** – we interviewed five organisations that had applied to the Catalyst programme but were unsuccessful. This was done with a view to understanding the differences between the experience of Catalyst and non-Catalyst grantees.
- **Two national online surveys including:**
  - Year 1 Evaluation of Catalyst survey (November 2014) – the survey was answered by Tier 2 and Tier 3 Catalyst recipients; 163 of the 390 organisations responded (42 per cent), of which 143 responses were usable (37 per cent). The survey was used to quantitatively explore and assess the issues that have been identified to date through the previous qualitative research and the literature review, and as formalised in the logic model developed for the programme.
  - Year 3 Evaluation of Catalyst survey (July 2016) – the survey was answered by Tier 1, Tier 2 and Tier 3 Catalyst recipients; 113 of the 390 organisations responded (10 x Tier 1, 68 x Tier 2, 37 x Tier 3). The

survey was used to quantitatively explore and assess the nature and the extent of the progress towards fundraising activities, organisational governance and financial resilience. The survey also focused on understanding the legacy that the programme created for grantees and their experience of fundraising following the end of the programme.

- **Data gathered from four learning events** held in Manchester and London in February 2015 to bring together Tier 2 and 3 organisations and learning events held in London and Birmingham, in October 2016. The discussions at the events were conducted under the “Chatham House Rules” and were added to our qualitative research.
- **An analysis of Arts Council England management data for Tier 1 and Tier 2** – to understand the drawdown of funding, how much had been raised through the programme and how other variables (such as geography) affected this. This comprised two main types of analysis:
  - descriptive statistical analysis: to quantify the main features of the financial data related to the Catalyst programme and provide breakdowns by artform, geography and size across the two tiers
  - regression analysis: a multiple linear regression looks at the link between the amount of private funding raised and factors that the literature suggests might influence this, in particular the size of organisations and their geography

## 1.4 Evaluation framework

Although the activity taking place in Catalyst varies, the programme did have clearly articulated overall aims. One of the first tasks of the evaluation was to work backwards from the expressed aims of the programme to understand exactly what the activities are and the processes of change that need to take place – with the support of Catalyst – in order for arts organisations to successfully realise the aims of the programme (such as greater diversification in revenue streams, or developing a culture of fundraising).

The evaluation framework designed in Year 1 unpacks what “capacity building” and “improving the ability of arts organisations to fundraise” means. This is illustrated below in the “logic model” (Figure 2). The logic model shows how the range of activities that organisations undertake through their Catalyst project are linked to positive organisational outcomes in the short to medium and long term. At the outset of the evaluation, the logical pathway was purely hypothetical (based on the programme’s aims and existing knowledge of the subject area). The job of the evaluation was to test whether the outcomes were achieved through the programme and whether the logical relationships between the different stages of the model can be demonstrated in practice.

In Year 1, an evaluation framework was developed for the Catalyst programme. This evaluation framework was found to be consistent with the new work undertaken in Year 2 and 3, and as such remained the same.

Expressed most simply, the core proposition is that Arts Council England’s Catalyst programme enables:

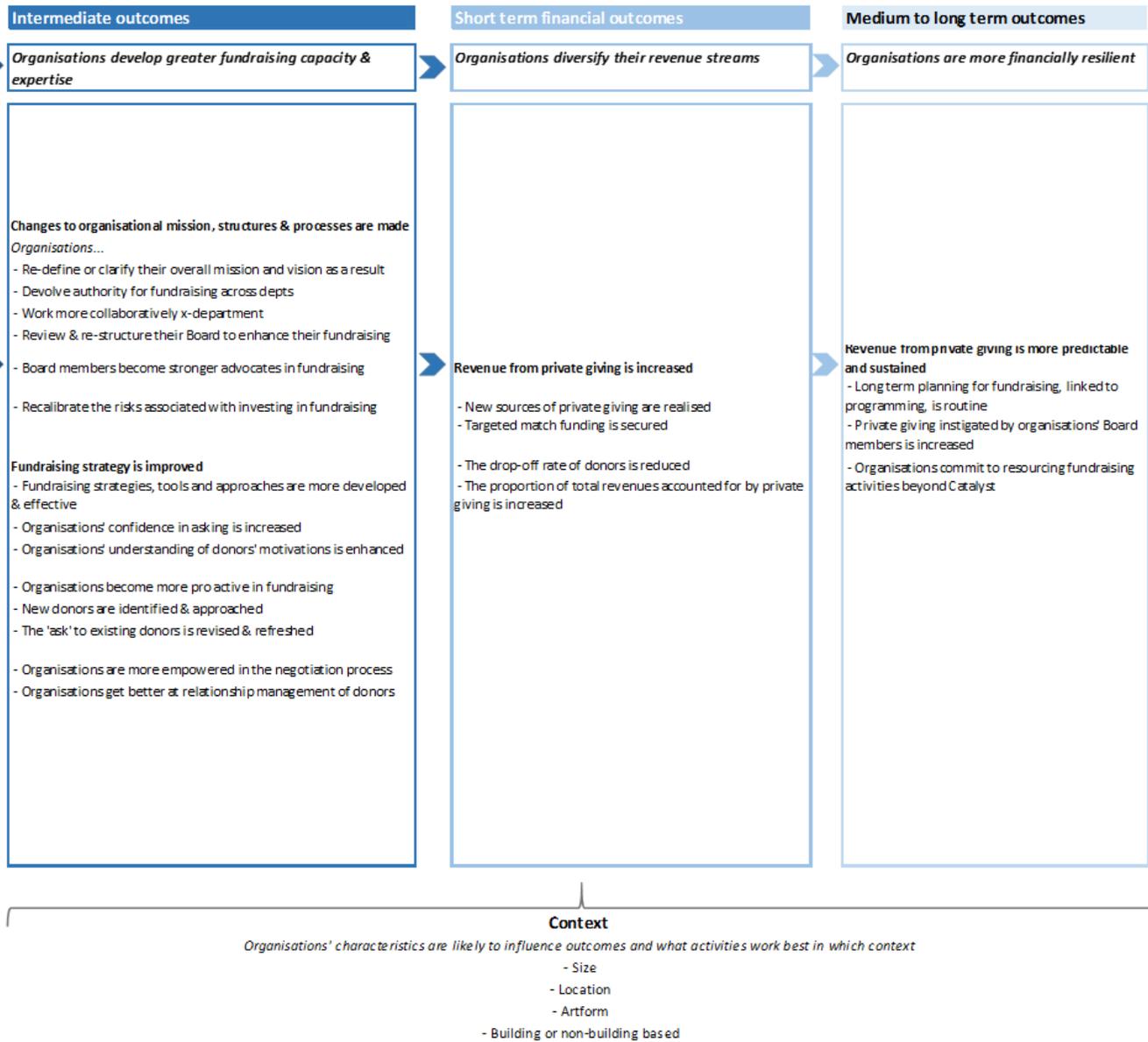
- a range of tools and approaches to improve fundraising to be used by arts organisations, which leads to
- organisations developing greater fundraising capacity and expertise that, in the short term, enables them to
- diversify organisations revenue streams and, in the medium to long term to become more financially resilient

As with all logic models, the relationship between Arts Council England’s investment and any related positive or negative changes becomes weaker the further along the chain you go. This is because:

- the Catalyst programme design specifies to some extent the project activities that are undertaken (particularly with regard to Tier 1), but little else, and
- as time progresses, the influence of other, larger factors (eg macro-economic conditions, the decisions of other public funders, changes in personnel and leadership, etc) will become increasingly important



**Figure 2: Catalyst logic model**



## 2. After the end of the programme

To assess the legacy of Catalyst, this section considers the experience of Tier 2 and 3 organisations following the end of the programme, considering fundraising activities, organisational change, and financial impact.

This section mainly draws from the evaluation's Year 3 survey, supported by insights gathered through Year 3 depth interviews with Tier 2 and 3 organisations and Year 3 learning events. We consider the overall responses of the grantees as well as, where relevant, specific trends according to tier and geography. For reasons of sample size, our analysis of geography divides the grantees into two broad groups: London and South East, and the South West, Midlands, and North (here described as 'Rest of England')

### 2.1 Activities

This subsection considers what activities have been undertaken by grantees after the end of the programme, whether these are now cost effective and likely to be sustained, and the extent to which Catalyst contributed to these activities.

#### 2.1.1 What fundraising activities have grantees carried on doing?

In the first two years of the research we identified a set of activities typically undertaken by grantees through the support of Catalyst. These included fundraising campaigns, events, consultancy, training, and building or developing an existing membership scheme. But what have organisations carried on doing *after* the end of the programme?

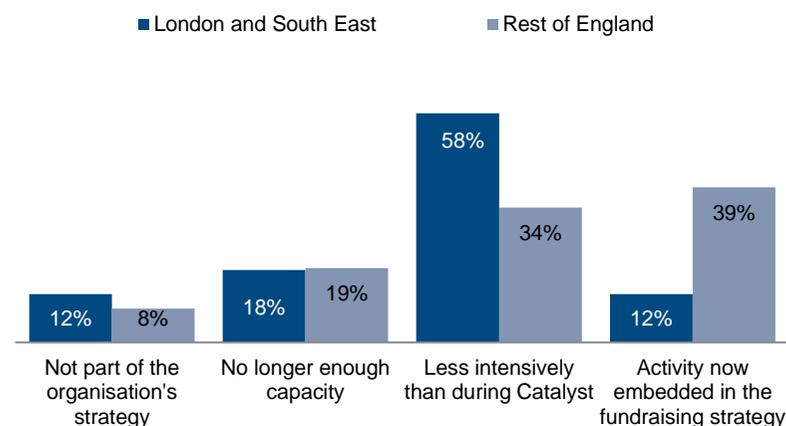
Our Year 3 survey shows that the majority of grantees have continued these activities (Figure 3):

- 86 per cent have continued to invest in fundraising campaigns
- 78 per cent have continued to invest in fundraising events
- 72 per cent have continued to invest in training
- 47 per cent have continued to invest in consultancy

- 46 per cent have continued to invest in membership schemes

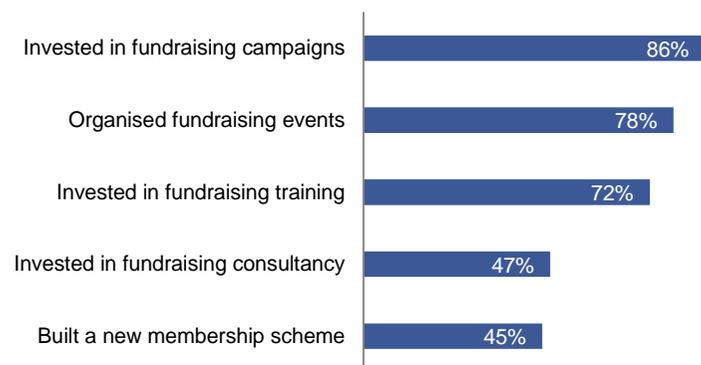
These results are extremely positive and show sustained commitment to fundraising. Investment in activities like training, consultancy and membership schemes might also suggest that the nature of this commitment is long-standing, as these activities are typically more likely to yield results in the longer term.

**Figure 3: Organisations that have invested in training following Catalyst, split by geography**



Source: BOP Consulting (2016)

**Figure 4: Activities undertaken by Catalyst grantees following the end of the programme**



Source: BOP Consulting (2016)

Analysis of responses according to geography and tier shows that:

- A larger proportion of organisations based in the Rest of England (77 per cent) have continued to invest in training (see Figure 4 below). This might be reflective of the shortage of fundraising skills outside London identified by previous research<sup>5</sup>.
- A larger proportion of Tier 2 organisations (67 per cent) have invested in new and existing membership schemes (57 per cent). This is understandable considering Tier 2 organisations have more established fundraising processes and that membership schemes are typically associated with more sophisticated fundraising strategies.

Qualitative insights from our case studies suggest that to keep these activities going, organisations have adopted a resourceful attitude to fundraising, simplifying their activities to reduce their cost. This is clearly illustrated by the case study of [ArtSpace Cinderford](#), which worked to simplify its

fundraising events to continue to sustain its community led fundraising strategy after the programme.

And, as illustrated by the case study of [Ministry of Stories](#), the capacity and skills afforded by Catalyst have played a key role in helping organisations to systematise their fundraising activities. Ben Payne, Co-Director of Ministry of Stories, said:

“ We managed to systematise what we were doing with fundraising much better. The new fundraising post has been key. A lot of my time is still spent on fundraising – it’s not a one person job. But it has meant we were able to think and act more entrepreneurially.

### 2.1.2 How many organisations used Information and Communication Technology (ICT) tools and how did these tools help?

In Year 1 and 2 we found that ICT tools can support fundraising in a number of ways. However, we also found low awareness of systems and good practices around how ICT infrastructure can support fundraising. This is because many organisations prioritised other aspects of their fundraising strategy, but also because of scepticism around ICT tools and what they can achieve. A particular concern related to investing in Customer Relationship Management (CRM) systems that did not fit the specific needs of the arts organisation (they were not specialised enough).

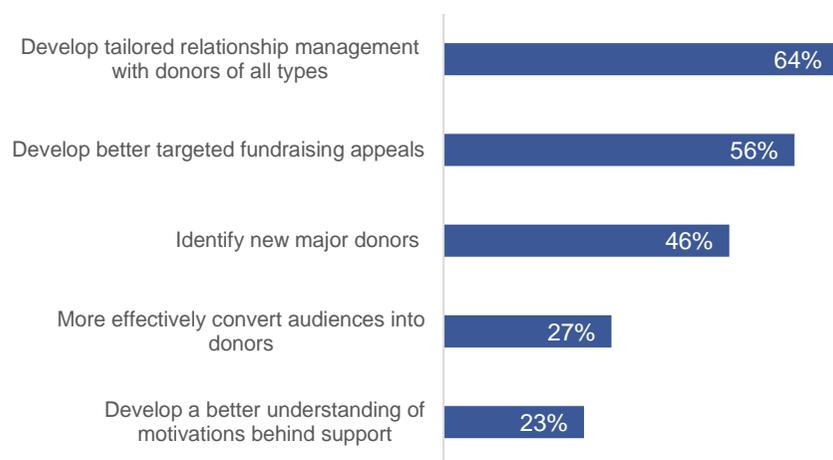
Our Year 3 survey shows that the majority of the Catalyst cohort invested in ICT infrastructure (82 per cent). According to the survey, 53 per cent of grantees invested in CRM systems, 33 per cent invested in Wealth Screening and 26 per cent invested in other ICT and fundraising software (these included fundraising tools like JustGiving and Raiser’s Edge).

<sup>5</sup> Sood, A., and Pharoah, C. (2011). Fundraising activity in arts culture, heritage and sports organisations, CASE: the culture and sport evidence programme

Our findings show that these investments have had good effect. Investing in CRMs, Wealth Screening and other fundraising tools helped many grantees improve fundraising. As a result of ICT investments:

- 64 per cent of organisations developed better targeted fundraising appeals
- 56 per cent of organisations developed tailored relationship management
  - 48 per cent of organisations more effectively converted audiences into donors

**Figure 5: Contribution of ICT tools to fundraising**



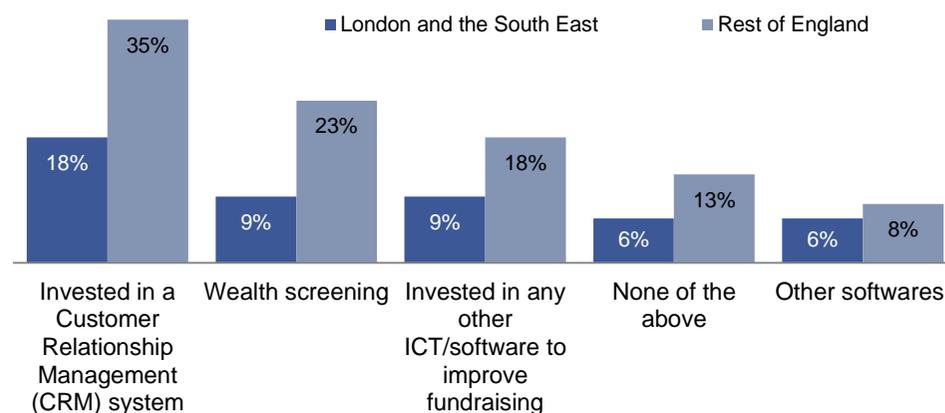
Source: BOP Consulting (2016)

The Year 3 learning events provided us with more insights into how ICT tools helped fundraising. Some organisations designed several “donate” options at their point of sales online, ranging from £2 to £50. When donors gave more than £10 they would be added to a list of prospects which organisations would cultivate separately. Some organisations were able to identify patterns among audiences (eg audiences were mainly drawn to new productions) and used this information to develop a tailored approach to fundraising (see the case study of [Sheffield Theatres](#)). Some organisations were able to successfully approach

major prospects through tools which enable wealth screening like Spektrix. Other organisations reported how storing information related to their donors and audiences on a CRM system enabled them to deploy a personalised approach (eg sending birthday wishes). Many of these organisations also stressed these tools were only useful when enough employees knew how to store and manage data effectively.

Analysis of tier and geography here shows some differences. A larger proportion of Tier 2 organisations and of organisations based in the Rest of England have invested in ICT technology (Figure 7). According to the survey, 85 per cent of Tier 2 organisations invested in ICT compared to 70 per cent of Tier 3 organisations. This is understandable given that Tier 2 organisations hold a generally more advanced fundraising infrastructure than Tier 3 ones, and benefitted from larger Catalyst grant investment. Looking at geography, organisations based in the Rest of England also invested in a larger number of ICT tools.

**Figure 7: Investments in ICT tools, geography**



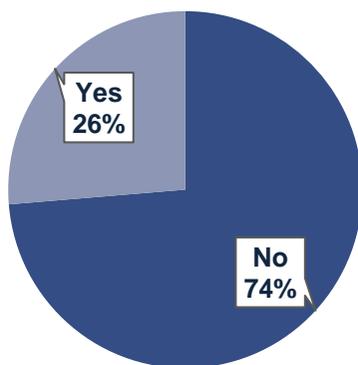
Source: BOP Consulting (2016)

### 2.1.3 How many organisations used crowdfunding and how did crowdfunding help?

Crowdfunding has recently attracted a lot of attention and as such, we have considered usage of crowdfunding in more detail. In Year 1 we had learned that only a small part of the Catalyst cohort experimented with crowdfunding (12 per cent) and that experiences of crowdfunding had been mixed.

This picture has changed a little according to the Year 3 survey. The proportion of organisations that have used crowdfunding more than doubled, to 26 per cent (Figure 5). This is still only a quarter, though we acknowledge that the use of crowdfunding is just one among many fundraising approaches and not all grantees might have been interested in using it. Grantees that have used crowdfunding still report mixed experiences, and the majority of the unsuccessful organisations highlighted how crowdfunding can often be time consuming and ineffective.

**Figure 6: Use of crowdfunding, Year 3**



Source: BOP Consulting (2016)

Successful uses of crowdfunding emphasised the importance of being able to access a large donor base while unsuccessful use of crowdfunding mainly pointed to its time consuming nature, as showcased by the comments of Tier 2 and 3 survey respondents.

“ We used crowdfunding to make up a shortfall in funding for a Parkinson's Dance project, for which we had already received the majority of funding. Considering that we haven't got a strong supporters' base yet it was a bit of a risk; and we only reached a third of our target, but all in all it was successful as we now have a group of donors we update regularly about our work.

“ It was straightforward and successful but was so because of the preparation and targeting of a list of individuals.

“ Crowd funding is an arduous and time consuming way to gain little return in our experience! We have tried it twice and I wouldn't prioritise it again.

“ [we used crowdfunding for a] campaign to raise funds for an exhibition. Was very time consuming and after benefits given didn't raise enough to justify the time put in.

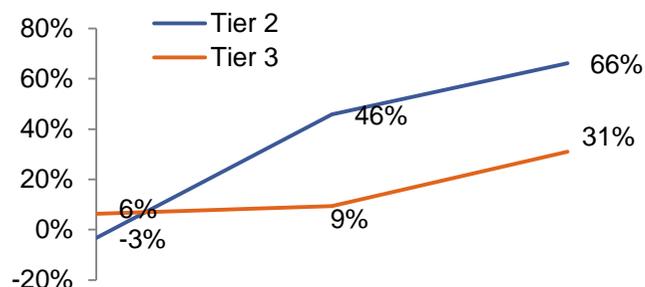
### 2.1.4 Are fundraising activities cost effective?

As showcased our case studies (eg see Section 4 for the case studies of Birmingham Hippodrome and Sheffield Theatres), making fundraising activities cost-effective is not easy and sometimes organisations find they end up spending more than they raise. At the outset of the programme, only 33 per cent reported that their fundraising activities were cost-effective.

The Year 3 survey, however, shows that the cost effectiveness of fundraising activities has considerably improved for Catalyst grantees. One year after the end of the scheme, fundraising activities are now cost effective for the majority of grantees (64 per cent). This accounts for a large 31 point increase from the start of the programme, in which only 33 per cent of grantees agreed that their activities were cost effective.

Analysis according to tier and geography reveals no large difference based on location, but clearer ones related to tier. Cost effectiveness particularly improved for Tier 2 organisations who reported a 69 point increase in cost effectiveness, starting from a baseline of -3 per cent, and finishing with 66 per cent.

**Figure 7: Increase in cost-effectiveness, Tier 2 and 3**



Source: BOP Consulting (2016)

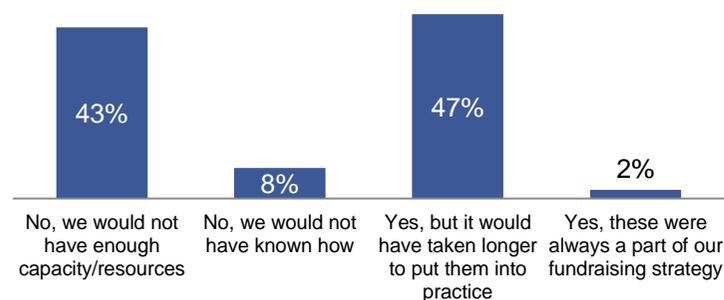
### 2.1.5 To what extent has Catalyst specifically supported these activities?

We must acknowledge that organisations could have undertaken these activities even if they had not received a Catalyst award. To understand the extent of the contribution of the Catalyst programme, we asked grantees how they felt the programme had had an impact. The Year 3 survey shows that Catalyst made a considerable contribution towards activities.

- 51 per cent of grantees reported they would not have been able to undertake these activities without Catalyst, either because of a lack of capacity and resources (43 per cent) or because of a lack of know-how (8 per cent)
- 47 per cent stated that these activities would have been undertaken, however Catalyst enabled them to happen faster

These findings show how the programme mainly acted, as its name suggests, both as a catalyst – increasing the pace at which activities were undertaken – and as an enabler, helping organisations to acquire the necessary capacity and expertise to do so. These findings also suggest that the way in which the programme made a difference to organisations mainly related to affording capacity and resources.

**Figure 8: Contribution of Catalyst to fundraising activities**



Source: BOP Consulting (2016)

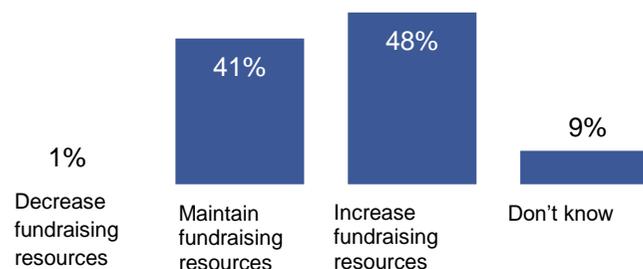
## 2.1.6 Are these fundraising activities likely to be sustained?

To assess the future sustainability of the programme's legacy, we considered whether organisations plan to keep up fundraising activities and how. The picture painted by the Year 3 survey is a positive one:

- 89 per cent of Catalyst grantees plan to either maintain or increase resources allocated to fundraising. Out of these grantees:
  - 48 per cent intend to increase resources allocated to fundraising
  - 41 per cent intend to maintain resources allocated to fundraising

This data shows that Catalyst beneficiaries' commitment to fundraising is likely to persist. Qualitative insights further shed light on how organisations plan to keep up resources. Many organisations stressed how strategic planning, monitoring of cost effectiveness, and increased responsibility for fundraising across the organisation will be key to maintaining/increasing activities.

**Figure 9: Future resources allocated to fundraising**



Source: BOP Consulting (2016)

Qualitative insights, however, also reveal a more nuanced picture, with some organisations flagging important challenges related to capacity. Tier 2 and 3 organisations that answered the survey reported:

“ We have grown our fundraising resources significantly in the last few years and we are in a position where we feel we have the right level and realistic resource to meet our targets. We continuously monitor net financial impact on performance.

“ We learnt a great deal about the actual true costs of undertaking certain kinds of fundraising and about how as an organisation we can manage them. Our plans are now pragmatic but still ambitious.

“ We will have the same capacity as we do currently, however we are embedding the responsibility across the organisation.

“ My post is no longer funded so it's difficult to know what we will do.

“ I would love to see an increased investment, however I am not sure in practice, with conflicting priorities, it will happen.

## 2.2 Organisational change

We now consider whether the programme enabled organisations to develop the adequate infrastructure to support private fundraising going forward.

To do this we assessed progress towards a series of formal and informal organisational processes identified in Year 1 and 2. These include: a formal, written fundraising strategy (with clear targets and goals); related monitoring and planning; adequate capacity; an established culture of fundraising within the organisation; and support from the Board of Trustees.

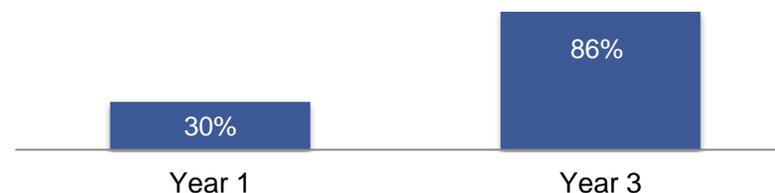
### 2.2.1 Do organisations now have a formal fundraising strategy?

Year 1 and 2 highlighted that fundraising works best when it is planned and strategic, rather than reactive and opportunistic. Our findings in Year 3 show that Catalyst did support organisations to adopt a more formal and strategic fundraising approach. According to the survey, the vast majority of grantees organisations now have a formalised strategy:

- 86 per cent of grantees now have a written fundraising strategy with clear targets and goals. This compares with 30 per cent in Year 1, and therefore represents a 56 point increase (Figure 10)
- 67 per cent of grantees agree that Catalyst helped them plan for longer timeframes
- 91 per cent of grantees monitor the cost effectiveness of their fundraising activities
- 34 per cent of grantees now have fundraising Key Performance Indicators

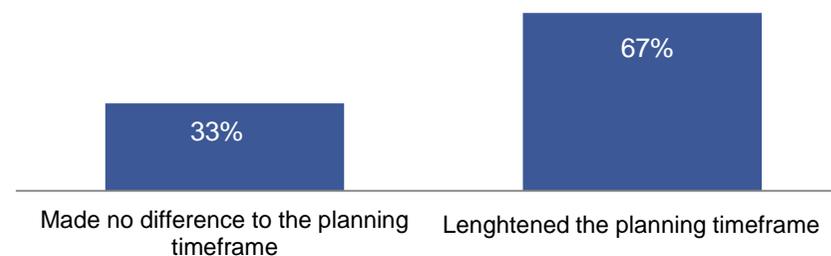
This data highlights an important and tangible legacy of the programme. These positive results might be driven by the fact that the programme required grantees to submit a fundraising plan at the time of their application. Our conversations with grantees highlight that these initial written plans were often used as a basis to develop a more formalised fundraising strategy.

**Figure 10: Organisations reporting a written fundraising strategy with clear targets and goals, Year 1 and Year 3**



Source: BOP Consulting (2016)

**Figure 11: Impact of the programme on planning timeframes**



Source: BOP Consulting (2016)

Analysis according to tier and geography shows some differences related to tier:

- Tier 2 organisations plan for longer timeframes (12-18 months in advance) compared to Tier 3 (6-12 months in advance).
- Tier 2 organisations developed more sophisticated systems to track fundraising performance, with 58 per cent monitoring progress towards targets and 26 per cent of organisations now using Key Performance Indicators (KPIs). This compares to 26 per cent and 6 per cent in Tier 3.

Again, this is consistent with Tier 2 organisations' greater experience of fundraising compared with Tier 3.

## 2.2.2 Have organisations been able to develop capacity and expertise in fundraising?

Year 1 and Year 2 show that developing sufficient capacity and expertise are among the most fundamental enablers of cultural fundraising. At the same time, it is very challenging to develop in-house capacity and expertise, and indeed, building internal fundraising capacity and skills was one of Catalyst's primary objectives.

So how did the programme help? The Year 3 survey shows that Catalyst enabled most organisations to design and hire new dedicated fundraising posts, or to extend responsibility for fundraising across the organisation:

- 71 per cent of organisations increased their fundraising capacity
- 47 per cent of organisations appointed new fundraising posts
- 24 per cent of organisations that did not appoint new posts extended responsibility for fundraising across the team

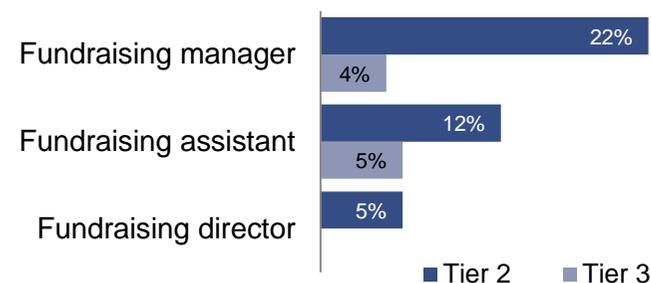
Analysis of tier and geography further shows that the majority of new posts were appointed by Tier 2 and organisations in the Rest of England. According to the survey:

- 39 per cent of Tier 2 organisations appointed new roles compared to 9 per cent Tier 3 organisations
- 46 per cent of organisations based in the Rest of England appointed new roles, compared to 14 per cent organisations in the London and South East area

Further, while Tier 2 mostly appointed support roles at middle or low level (eg fundraising manager or officer) organisations based outside London and the South East appointed a higher proportion of leadership roles (eg director), as

shown in Figure 12 and Figure 13 below. These findings seem to confirm existing evidence related to the higher need for expertise in regional areas outside London<sup>6</sup>.

**Figure 12: Types of fundraising posts adopted by organisations, Tier 2**



Source: BOP Consulting (2016)

<sup>6</sup> Sood, A., and Pharoah, C. (2011). Fundraising activity in arts culture, heritage and sports organisations, CASE: the culture and sport evidence programme

**Figure 13: Types of fundraising posts adopted by organisations, Rest of England**



Source: BOP Consulting (2016)

### 2.2.3 Is there an established culture of fundraising within the organisation?

Qualitative insights from Year 1 and 2 clearly show that fundraising is a real team effort and that whoever is responsible for fundraising in the organisation needs the support of the wider team to meet the organisation’s fundraising targets. As we discuss in Section 4.2, this requires the organisation to establish a culture of fundraising, in which different team members and different roles jointly commit to fundraise for the organisation.

Our Year 3 survey shows that Catalyst made a substantial contribution towards establishing a fundraising culture. The programme facilitated engagement within the grantee organisations, including:

- 97 per cent had increased engagement from senior management
- 90 per cent had increased engagement from the Board of Trustees
- 94 per cent reported that directors are now more engaged in fundraising
- 94 per cent had increased engagement from the artistic director

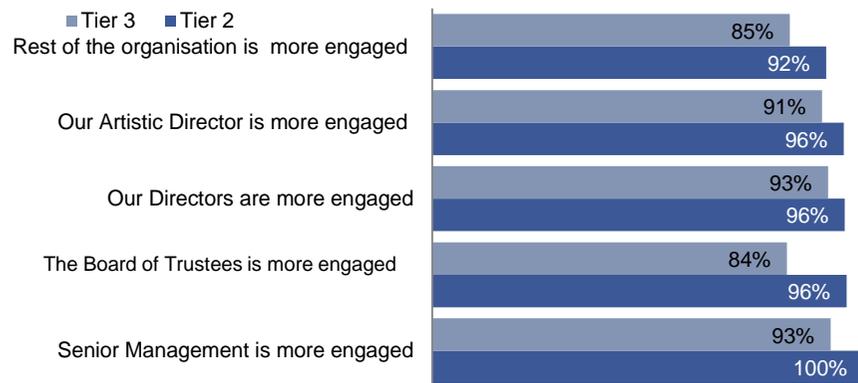
- 88 per cent reported that the rest of the organisation is more engaged in fundraising

This quantitative evidence supports previous (and new) qualitative insights on how Catalyst created real momentum for private fundraising. Section 4.2 shows how Catalyst beneficiaries like South Asian Arts, the National Centre for Circus Arts and Turner Contemporary worked to establish a culture of fundraising within their organisations. The Year 3 case study of [Create Gloucestershire](#) also highlights how Catalyst generated momentum. Pippa Jones, Director of Create Gloucestershire, said:

“ [Catalyst] ...really generated momentum for fundraising. I think that there is a changed perception around fundraising... [...] I feel like it is no longer seen as something separate but very integral to what the organisation does.

Analysis by tier shows that all grantees experienced success in this area (Figure 14). As shown by the chart below, Tier 2 reported the highest increase in the level of engagement overall. Moreover, 100 per cent of Tier 2 organisations agreed that their senior management is now more engaged in fundraising. Tier 3’s reported increase in engagement is still very high.

**Figure 14: Engagement in fundraising, Tier 2 and Tier 3**



Source: BOP Consulting (2016)

These findings are confirmed by qualitative insights. When we asked organisations to highlight the single most important change that happened as a result of Catalyst, the majority pointed to how the culture of fundraising is now more established in the organisation. Tier 2 and 3 organisations said:

“ There is an increased understanding within the organisation about the need for fundraising and although we are still working out the practicalities and ethics of fundraising, our team, at all levels, are more on the same page about our approach.

“ A cultural shift – we are a fundraising organisation and everyone plays their part.

“ We have raised awareness for the ongoing need to fundraise both internally and externally. All staff members are more engaged with fundraising.

Finally, we sought to understand the extent to which engagement in fundraising is now formalised and whether fundraising has been added to job descriptions, during and after Catalyst (Figure 15). Almost a fifth (19 per cent) of Catalyst grantees reported that the programme had made no difference to how formal responsibility for fundraising was distributed across the organisations. However, more than one third (36 per cent) stated that they had formally extended responsibility for fundraising roles *during* Catalyst, and an equal amount reported that this had been undertaken since the end of Catalyst. A small percentage (9 per cent) reported that fundraising has now been added to *all* jobs descriptions.

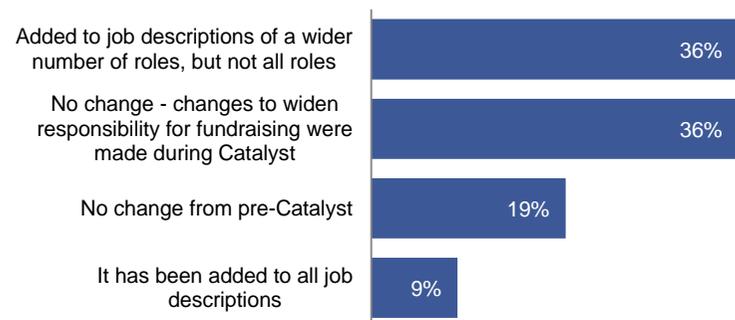
This highlights how most organisations formalised (or are in the process of formalising) the greater engagement in fundraising they achieved as a result of Catalyst. This makes the legacy of the programme likely to be more long lasting.

#### 2.2.4 A closer look at Boards of Trustees

Our research in Year 1 and 2 highlighted how the support of the Board of Trustees can play a particularly important role in the success of fundraising. In addition to donating to the organisation themselves, Trustees can share their networks, help promote the organisation and raise its profile, and ultimately also raise funds for the organisation.

However, our previous research also showed that engagement in fundraising has not traditionally been expected from Board members of most arts organisations, and as a result, few Boards benefit from an established fundraising culture. Therefore, in addition to introducing fundraising to existing Board members as part of their Catalyst work through dedicated activities (eg away days, Board training, consultations, etc), organisations also found it helpful to recruit new Board members who possessed fundraising skills.

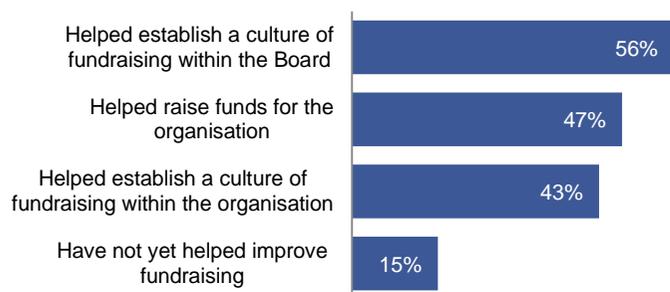
**Figure 15: Inclusion of fundraising tasks in non-fundraising job roles**



Source: BOP Consulting (2016)

Our Year 3 research shows that just over half of the cohort has hired new Board members (52 per cent) and that these new members are already helping organisations towards their fundraising goals (see Figure 16 below).

**Figure 16: Contribution of new members to fundraising**



Source: BOP Consulting (2016)

<sup>7</sup>Our definition of philanthropic revenues here includes non-transactional revenues generated from individual donors, trusts and foundations and businesses.

## 2.3 Financial impact

We now consider whether and how Catalyst supported organisations to grow their private revenue streams. To assess the programme’s legacy, we also consider donor retention levels and how they shifted after the end of the programme.

### 2.3.1 Increased philanthropic revenues

Year 1 and 2 showed that a significant proportion of organisations were successful in attracting philanthropic revenues<sup>7</sup> and meeting their targets. However, it also showed that fundraising is a long-term process and sometimes it is hard to generate results within a limited timeframe.

In the Year 3 survey we were able to investigate whether Catalyst organisations’ ability to increase their philanthropic revenues changed after the end of the programme. We asked organisations about how they perceived this had changed from before they had applied to Catalyst to the present day. The large majority of organisations (85 per cent) reported that they had increased their philanthropic revenues, including 18 per cent that stated that philanthropic revenues had “increased a lot” (see Figure 18).

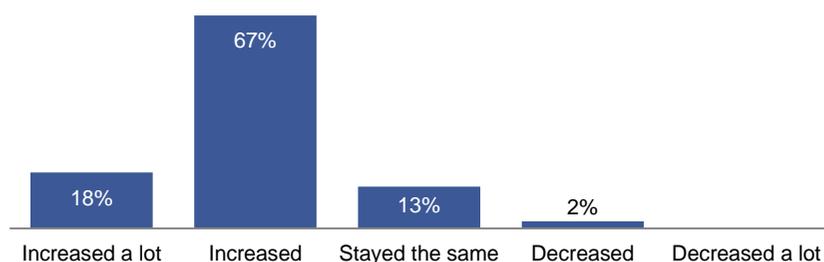
Analysis according to geography and tier shows that, once again, the biggest change was experienced by Tier 2 organisations and organisations based outside London. Considered by tier, a full quarter of all Tier 2 organisations reported that philanthropic revenues had “increased a lot”, compared with only 4 per cent of Tier 3 organisations. Similarly, philanthropic revenues “increased a lot” for almost a quarter (23 per cent) of organisations based outside London and the South East, but only for 9 per cent of organisations based in London and the South East.

While it is natural that Tier 2 reported a higher increase (the match funding incentive to donors was not part of the Tier 3 programme), the difference in

geography seems more noteworthy. Both anecdotal and existing research (including the recently published *Private Investment in Culture Survey*)<sup>8</sup> suggests that raising private giving revenues is more challenging for arts organisations that are based outside the capital.

However, our Catalyst evaluation findings provide a test case which suggests, to some extent at least, that some of the disparity between arts organisations in London and its environs and those outside of the capital can be addressed by improving arts organisations' abilities, capacity and culture towards fundraising, as has been achieved through Catalyst.

**Figure 17: Shift in philanthropic revenues**



Source: BOP Consulting (2016)

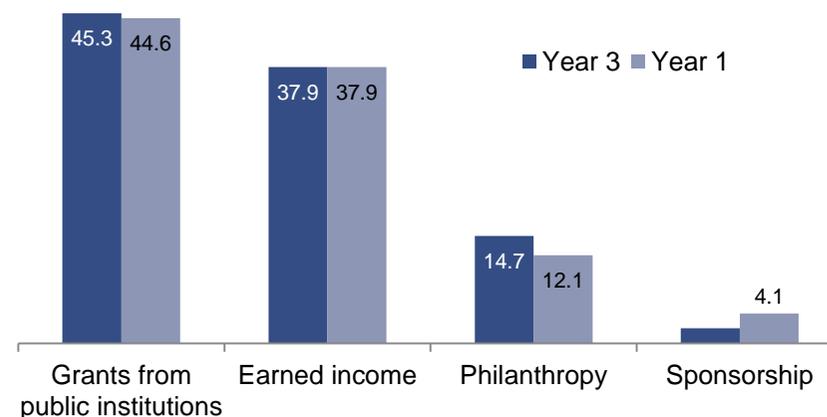
### 2.3.2 Change in overall revenue streams

What proportion of overall revenues are now accounted for by philanthropy and how does this compare to Year 1?

Our Year 3 survey shows a modest increase in the relative weight of philanthropic revenues across the Catalyst grantees. Philanthropic revenues now account for 14.7 per cent of the total revenues of grantees. This constitutes a 2.7 per cent point increase from Year 1, in which philanthropic revenues

accounted to 12 per cent overall. Considering the relatively short three-year timeframe of the programme this is small but notable change. When tested, this was not a statistically significant change, though this is likely to be due to the relatively small sample size.

**Figure 18: Private giving revenue streams increased**



Source: BOP Consulting (2016)

Analysis according to tier shows that Tier 2 reported the largest shift in overall revenues. Philanthropy now accounts for 20 per cent of the overall revenues streams of Tier 2 organisations. This compares to 12.9 per cent in Year 2 and therefore represents a considerable 7.1 point increase. However, philanthropy now accounts for only 9 per cent of overall revenues for Tier 3 organisations, compared to 11.9 in Year 1. This slight decrease in the relative share of philanthropy income seems most likely to be due to the more substantial increase in grants from public institutions that Tier 3 organisations have benefited from (rising from 39 per cent to 48 per cent).

<sup>8</sup> MTM, Private Investment in Culture Survey, 2016: [http://www.artscouncil.org.uk/sites/default/files/download-file/Private\\_investment\\_culture\\_report\\_Nov\\_2016.pdf](http://www.artscouncil.org.uk/sites/default/files/download-file/Private_investment_culture_report_Nov_2016.pdf)

The different performance between Tier 2 and Tier 3 organisations is also understandable in light of the design of the programme, as Tier 3 organisations did not benefit from match funding or private income fundraising targets. Tier 3 was not primarily about increasing revenues during the timeframe of the projects, but about building organisations’ fundraising infrastructure and elaborating a better case for support.

Considering geography, organisations based in London and the South East reported that philanthropy now accounts for 18 per cent of their overall revenues. This is almost identical to the figure reported in Year 1 (17 per cent). However, for organisations based in the Rest of England, philanthropy now accounts for 15 per cent of their overall revenues, compared to 10 per cent in Year 1; a 5 point rise over the three years.

### 2.3.3 Contribution of Catalyst to increasing philanthropic revenues

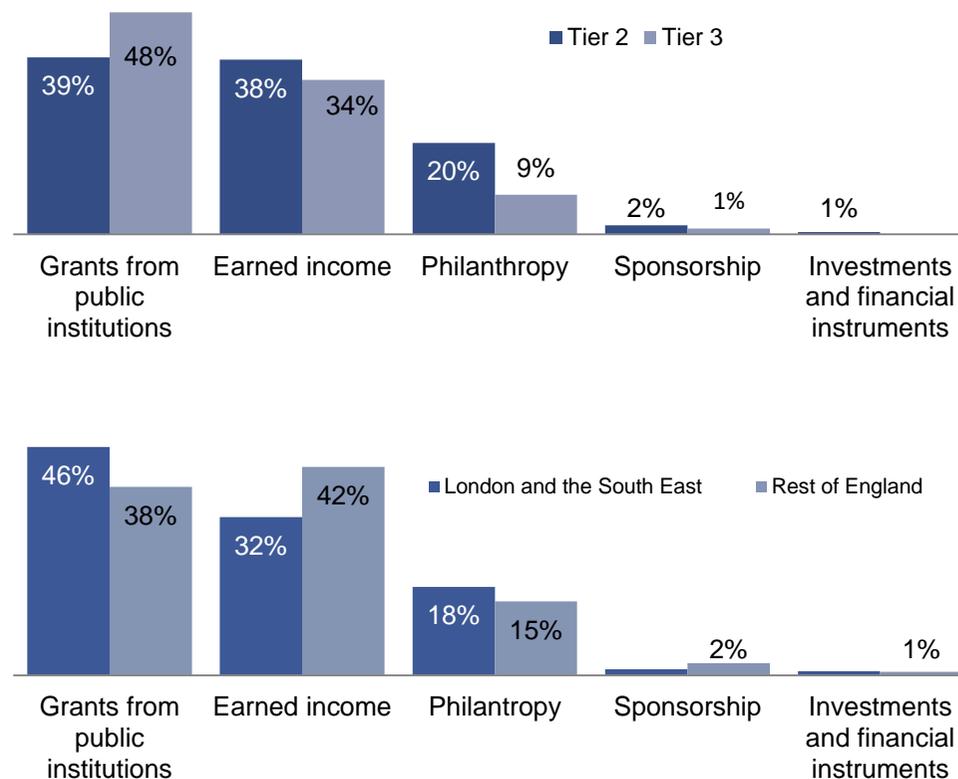
Similarly to fundraising activities, we must acknowledge that philanthropic revenues of organisations and their weight within organisations’ overall revenue streams could have increased because of other factors. To understand how much the programme contributed to increasing philanthropic revenues we asked grantees about how much they felt the programme had made a difference to these results.

Responses from the Year 3 survey show that Catalyst made a considerable contribution (Figure 21). 15 per cent reported no additionality for the programme at all, stating that the mix of revenues “would be exactly the same without Catalyst”. Most respondents (67 per cent) stated that Catalyst’s role was, again, to speed up the pace of an existing direction of travel (“the trend towards changing the balance of different revenues would be roughly the same, but the change would not have happened as quickly”). However, almost a fifth of organisations (18 per cent) attributed much greater additionality to Catalyst (“the mix of revenues would have been totally different without”).

Analysis according to tier and geography shows no considerable difference according to geography, but some difference related to tier. A higher proportion of Tier 2 organisations (24 per cent) reported that the balance of their overall

revenue streams would have been completely different without Catalyst. This compares to 12 per cent in Tier 3 organisations.

Figure 19: Overall giving revenue streams, tier and geography (Year 3)



Source: BOP Consulting (2016)

#### Contribution of Catalyst to increasing philanthropic revenues

Similarly to fundraising activities, we must acknowledge that philanthropic revenues of organisations and their weight within organisations’ overall revenue streams could have increased because of other factors. To understand how much the programme contributed to increasing philanthropic revenues we

asked grantees about how much they felt the programme had made a difference to these results.

Responses from the Year 3 survey show that Catalyst made a considerable contribution (Figure 21). 15 per cent reported no additionality for the programme at all, stating that the mix of revenues “would be exactly the same without Catalyst”. Most respondents (67 per cent) stated that Catalyst’s role was, again, to speed up the pace of an existing direction of travel (“the trend towards changing the balance of different revenues would be roughly the same, but the change would not have happened as quickly”). However, almost a fifth of organisations (18 per cent) attributed much greater additionality to Catalyst (“the mix of revenues would have been totally different without”).

Analysis according to tier and geography shows no considerable difference according to geography, but some difference related to tier. A higher proportion of Tier 2 organisations (24 per cent) reported that the balance of their overall revenue streams would have been completely different without Catalyst. This compares to 12 per cent in Tier 3 organisations.

### 2.3.4 Number of donors approached and donor retention rates

To assess whether organisations had ultimately been able to keep raising funds after the end of Catalyst, the Year 3 survey asked grantees about the number of donors that supported organisations and whether organisations had been able to retain these.

According to the Year 3 survey, the number of donors who gave to organisations following the end of the programme is not substantially lower than the number of donors who gave during Catalyst (see Figure 22).

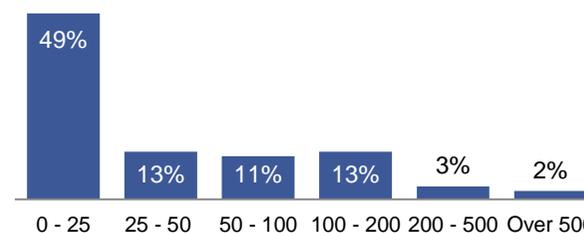
Further, the donor retention rate (ie the number of donors who continued giving to the organisation after the first donation) has also not dropped for most of grantees. The Year 3 survey shows that donor retention has increased for 43 per cent of grantees and decreased for just 8 per cent of grantees. This means that there was an overall trend towards increasing donor retention, with a balance of 35 per cent of organisations having achieved this one year on from the end of Catalyst.

These results are very positive and suggest that the fundraising activities, better fundraising infrastructure, organisational processes and culture that have been supported by Catalyst are yielding longer term tangible results.

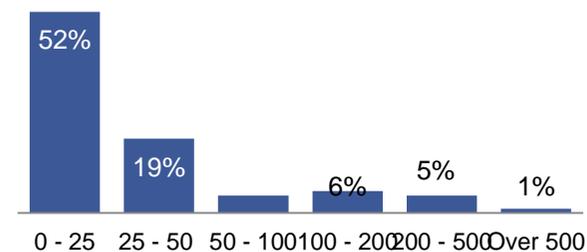
Analysis according to tier and geography shows no big difference according to tier but some difference according to geography. 52 per cent of organisations based outside London reported increased donor retention compared to 30 per cent of organisations based in London. Consistent with the rest of our findings in Year 3, organisations based outside London seem to have reported greater impact than organisations based in London.

**Figure 20: Number of donors giving to Catalyst grantees**

**Panel A: Before Catalyst**



**Panel B: After Catalyst**



Source: BOP Consulting (2016)

## 3. Individual programme strands

As we explain more fully in the introduction (page 5), Catalyst funding from Arts Council England was split into three programme strands: the Tier 1 Endowment programme; the Tier 2 Capacity Building and Match Funding programme; and the Tier 3 Building Fundraising Capacity programme.

These strands had unique design features. The Tier 1 Endowment required organisations to set up an endowment fund, with targets set between £1 million and £20 million, and included match funding incentives. The Tier 2 Capacity Building and Match Funding featured an initial grant to support the development of greater fundraising capacity and match funding incentives. The Tier 3 Building Fundraising Capacity required organisations to form a consortium, and only included support for developing greater capacity.

So what is the nature of the legacy related to these particular features of the programme design? To assess this, this section will now consider the three individual programme streams.

### 3.1 Tier 1

In Year 2 we held one-to-one conversations with all Tier 1 organisations to understand their experience of setting up and raising funds for a Catalyst Endowment. Our research shows that Tier 1 was highly successful overall, and more so for smaller organisations, which were able to put their endowment fundraising at the front and centre of their work. Larger organisations also performed well when the endowment occurred at a favourable time and coincided with the organisation's broader plans and needs.

Our findings from Year 2 do pose questions related to the appropriateness of setting up and campaigning for endowments within a three-year timeframe. Endowments are quite technical and complex fundraising tools and, as such, they can pose big communication challenges. As argued by one of our Tier 1 interviewees, endowments are “hardly sexy”. Communicating what endowments are and how they work proved difficult and time consuming for Tier 1

organisations. Difficulties arose both internally, communicating to members of staff, and externally, campaigning to donors.

As a result, Tier 1 had to invest time and resources to design in-house training and to make endowments more “donor friendly”. This entailed giving them a purpose and creating quite savvy branding strategies which turned endowments from abstract generic instruments into campaigns with a clear purpose, attractive packages and consistent messages.

Despite some of the inherent challenges of endowments, then, we found that for many, the efforts of most Tier 1 organisations left multiple legacies. These include the endowment dividend itself but also a progressive shift towards greater financial resilience. Tier 1 organisations felt endowments would help them manage larger gifts and become better able to attract legacy donations.

Year 3 research strengthens these findings, shedding further light on the legacy of the Endowment programme and its overall contribution:

- Seven out of 10 respondents reported that Catalyst Endowments are proving really useful in attracting and managing large gifts.
- Six of the 10 organisations have carried on fundraising for their endowment. The four organisations that have stopped have future plans to re-start their campaigning in and 10 years' time.
- All 10 respondents agree that, although friction with revenue and capital fundraising did occur over the course of their Catalyst grant, the overall impact of the Catalyst Tier 1 Endowment scheme was a positive one. Similar to Tier 2 and Tier 3 grantees, Catalyst generated momentum for private fundraising within the organisation.
- All 10 respondents reported that they now hold adequate knowledge and expertise. Endowments are managed by the organisations' financial directors, head of fundraising and Trustees, often with the help of an external financial advisor. This is particularly noteworthy as by their very nature, long term planning tools need to be managed appropriately to fulfill their purpose.

## 3.2 Tier 2

Our evaluation suggests that organisations within Tier 2 have, on the whole, reported the most substantial impact. Nevertheless, our previous research also showed how, at the end of the programme, Tier 2 organisations were concerned about the prospect of fundraising without the extra capacity and match funding incentives provided by Catalyst.

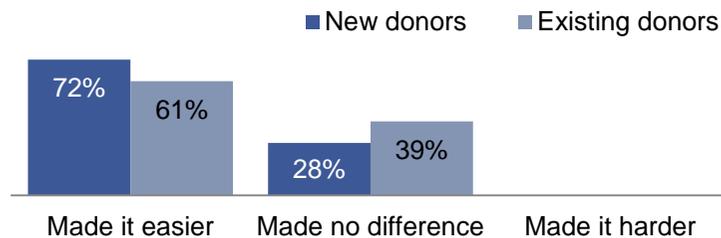
In seeking to add more nuance to these findings, we have sought to understand in more detail how the end of match funding made a difference to their fundraising. What has hindered private fundraising since and what has helped?

### 3.2.1 Impact of the end of match funding

In Year 1 and 2 we learned how match funding had been very empowering for many Tier 2 organisations.

The Year 3 survey adds further quantitative evidence about the positive contribution of match funding. Overall, the majority of grantees agreed that match funding made a positive difference when approaching new donors (72 per cent) and existing donors (61 per cent). So how has the end of match funding affected these organisations?

**Figure 21: Contribution of match funding with new and existing donors**

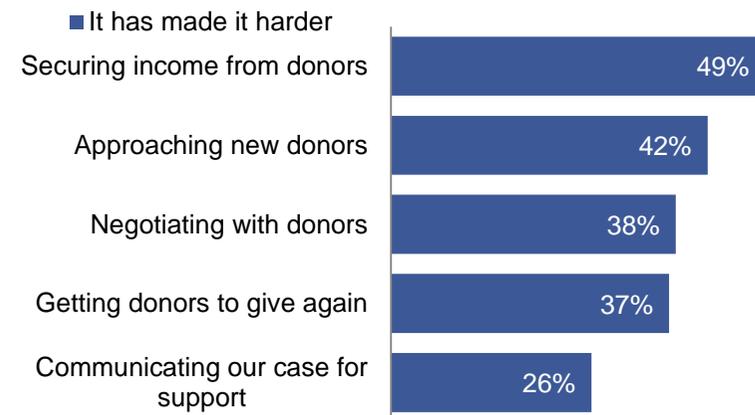


Source: BOP Consulting (2016)

Our Year 3 survey shows that the end of match funding did make fundraising more challenging for some organisations (Figure 24). Almost half of the Tier 2 organisations (49 per cent) agree that the end of match funding has “made it harder” to secure income from donors and 42 per cent agreed that the end of match funding has made it harder to approach new donors. Over a quarter of grantees also stated that the end of the match funding made it harder to negotiate with new donors (38 per cent), to get donors to give again (37 per cent), and to communicate their case for support (26 per cent). These difficulties are to be expected given that match funding proved so helpful during the programme.

These findings also flag how match funding is a precious and limited resource, which should be used wisely. So while there might be a temptation to focus on hitting the match funding target as early as possible, organisations might be better off using it wisely throughout so that they can reap its benefits for as long as possible.

**Figure 22: Impact of the end of match funding on different fundraising activities**



Source: BOP Consulting (2016)

Our conversations with Tier 2 grantees provide further evidence of the challenges faced by organisations when attempting to fundraise without match funding. As an anonymous Tier 2 organisation reported:

“ When we asked donors to support us for the second time, they were expecting their donation to be matched and we had to explain that match funding was no longer available. Some of them then said: “ok well then we will wait until the match funding is available again so we can have more impact.” We then had to explain match funding was not going to be available again any time soon.

Findings related to the impact of match funding also show how, for most organisations, the end of match funding did not overly affect fundraising processes. Qualitative evidence in Year 3 suggests that the increased confidence that some organisations developed through Catalyst has proved more important than match funding in sustaining organisations’ ability to fundraise. This is clearly illustrated by the case study of [New Writing North](#) (see full case study in Section 6.3). Clare Malcom, Chief Executive, New Writing North, said:

“ It [Catalyst] has left us with the confidence to make bigger asks, and to suggest more ambitious partnerships with longer timeframes. We know our worth, we know what we can do really well, and we know how to communicate it.

### 3.2.2 Further challenges encountered by Tier 2 organisations

Notwithstanding the positive benefits reported by Tier 2 organisations, our conversations with grantees highlight the presence of challenges. These mainly relate to the need to revise their private revenue streams, as a result of increased difficulties in securing funds from trusts and foundations.

Ben Payne, Co-director, of Ministry of Stories, a Tier 2 organisation which reported consistent success, said:

“ We feel that we have made considerable strides in being able to raise private income in ways which are not usual in the literature sector and still not that common amongst arts organisations in general. As a result we have some real opportunities to grow sustainably over the next few years. What we didn’t expect was a further squeeze of foundation funding which has only added to the one on public subsidy. As a result, we are having to look at changing our business model even more radically to be able to survive and flourish.

This echoes the statements of another successful Tier 2 grantee, Plymouth Music Zone. Debbie Geraghty, Executive Director, Plymouth Music Zone, said:

“ As a result of this whole process, people started seeing us as being successful and resilient but, ironically, some funders also began thinking we were “too good”, and we could survive in this competitive climate more than others without their money. One funder said they believed we could “take the hit” better than others. It seems a lot of funders are now trying to spend their money more widely than before to support the smaller organisations. In a weird way we were turned down by some funders because we had developed the capacity and skills to attract funding. And what with the larger organisations benefiting from their more established donor bases, we suddenly began to feel like what NCVO described as “the squeezed middle”. In an odd way we had to then start talking down our success and make funders understand we needed them more than ever to keep investing in success or it could quite easily reverse!

These statements about the increasing difficulty of both securing and then maintaining trust and foundation funding were felt by several Tier 2 organisations that took part in our research. It also concurs with other anecdotal evidence that trusts and foundations in the arts being increasingly over-

subscribed. However, within this evaluation it is not possible to quantify how widespread this experience is across the board.

What we can discern from the experience of these particular grantees is that, as a result of getting turned down by trusts and foundations, organisations target individual giving as an area in which to grow their funding. And according to the landscape as contained within the recent Private Investment in Culture Survey, more and more arts organisations will possibly need to make this transition, as income from individual giving keeps growing and income from trusts and foundations plateaued.

Our Year 3 case studies show that this transition might not be easy. The case studies of DanceXchange and Ministry of Stories illustrate that the challenges might be harder for organisations which are non-venue and non-ticketing based, and as a result do not have much access to data, or where fundraising assets might be limited. Clare Lewis, DanceXchange’s Executive Director said:

“One of our biggest challenges is that we don’t have access to data. We cannot get the audience data for our theatre shows and are therefore not able to understand and communicate directly with our audiences – our potential donors – in ways other organisations can. Data is an important component when fundraising from individuals, so we remain on the back foot with this one.

### 3.3 Tier 3

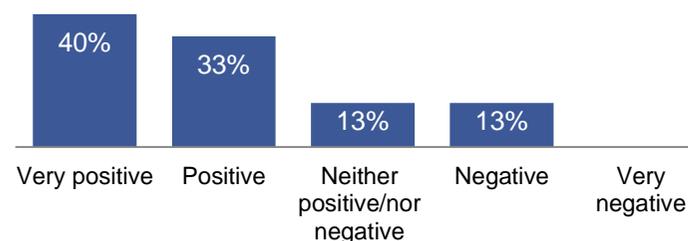
The Tier 3 building fundraising capacity strand of the scheme required organisations to form a consortium and develop a joint offer. In Year 1 and 2 we learned that experiences of working in a consortium had been mixed. Some grantees benefitted from working collaboratively. Others reported that working as part of a consortium had slowed down the process and sometimes hindered progress towards fundraising. The research also highlighted a set of good practices about how to work together in a consortium.

So overall, did working in a consortium help or hinder Catalyst grantees? And have Tier 3 grantees continued to collaborate, and in what way?

Our Year 3 survey shows a largely positive picture:

- 73 per cent of grantees stated that working in a consortium was a positive experience
- 57 per cent of Tier 3 organisations have carried on collaborating with their fellow consortium partners

**Figure 23: Tier 3 overall experience of working in a consortium**



Source: BOP Consulting (2016)

These findings show that, even if challenges amongst consortia did exist, most organisations benefitted from working together. Distinguishing between joint and individual activities, hiring external consultants, and taking the time to get to know fellow consortium partners helped them to work together more effectively.

Considering what activities were easier or harder to undertake, grantees reported it was easier to share skills and expertise, with 85 per cent agreeing this was either “easy” or “very easy”. Developing a shared fundraising strategy, organising joint fundraising events and sharing donor databases were reported as the hardest activities to undertake, with only 17, 14 and 11 per cent of grantees respectively stating it was easy to carry them out.

In line with these findings, the Year 3 survey results also tell us that the sustained collaboration following the programme has mostly revolved around sharing knowledge and expertise (84 per cent).

Year 3 qualitative insights add to these findings and tell us that, quite understandably, continuing to collaborate was easier for organisations which were already doing so before Catalyst (eg Create Gloucestershire), and harder for those organisations that came together because of Catalyst and that now no longer have the resources or incentive to do so.

**Figure 24: Tier 3, activities which helped to work in consortiums**



Source: BOP Consulting (2016)

## 4. Good practices from Catalyst grantees

In addition to assessing the impact of Catalyst, this evaluation also explores the good practices and approaches that supported fundraising success amongst grantees. This section draws on data gathered throughout the third year of research to present a range of Tier 1, Tier 2 and Tier 3 case studies, which differ in size, artform, and geography. These case studies can be read in full in the Appendix (Section 6.2).

What clearly stands out from the experience of these successful grantees is how they worked holistically, across different levels and facets of the organisation, to formulate a solid fundraising strategy. So while we highlight specific good practices in telling the stories of these organisations, in reality they all undertook a much wider range of actions to support their success.

### 4.1 Key components and principles of good practice

Throughout its three-year course, the evaluation identified a set of processes and approaches that are essential to successful fundraising. These are distilled into the graphic in Figure 26. By focusing on these areas and approaches, organisations overcame important challenges related to capacity, lack of an established donor base or donor fatigue, costs inefficiencies related to fundraising, and so on.

Our research identified four main organisational areas of focus that enable successful fundraising. These can be related to four main approaches:

First, aligning the fundraising strategy with the unique mission and vision of the organisation, which provides the backbone for a compelling case for support and for a distinctive approach. Developing a distinctive approach then enables the organisation to stand out and to clearly position itself.

The second is the development of fit-for-purpose governance, in which responsibility for fundraising is shared and formalised, consensus for fundraising is high, and employees support raising funds from the private sector. This requires the organisation to develop an entrepreneurial approach and can-do attitude. Indeed, this evaluation found consistent evidence of how organisations witnessed an internal shift towards an entrepreneurial approach as a result of raising funds from the private sector.

The third is the development of an appropriate marketing and communications strategy, which clearly promotes the organisation as a charity in need of support and uses consistent, but tailored messaging strategies to approach donors. This leads organisations to become more relationship-led: more employees focus on building trust and commitment from supporters, and on understanding the synergies between the interests and aspirations of philanthropists and those of the organisation.

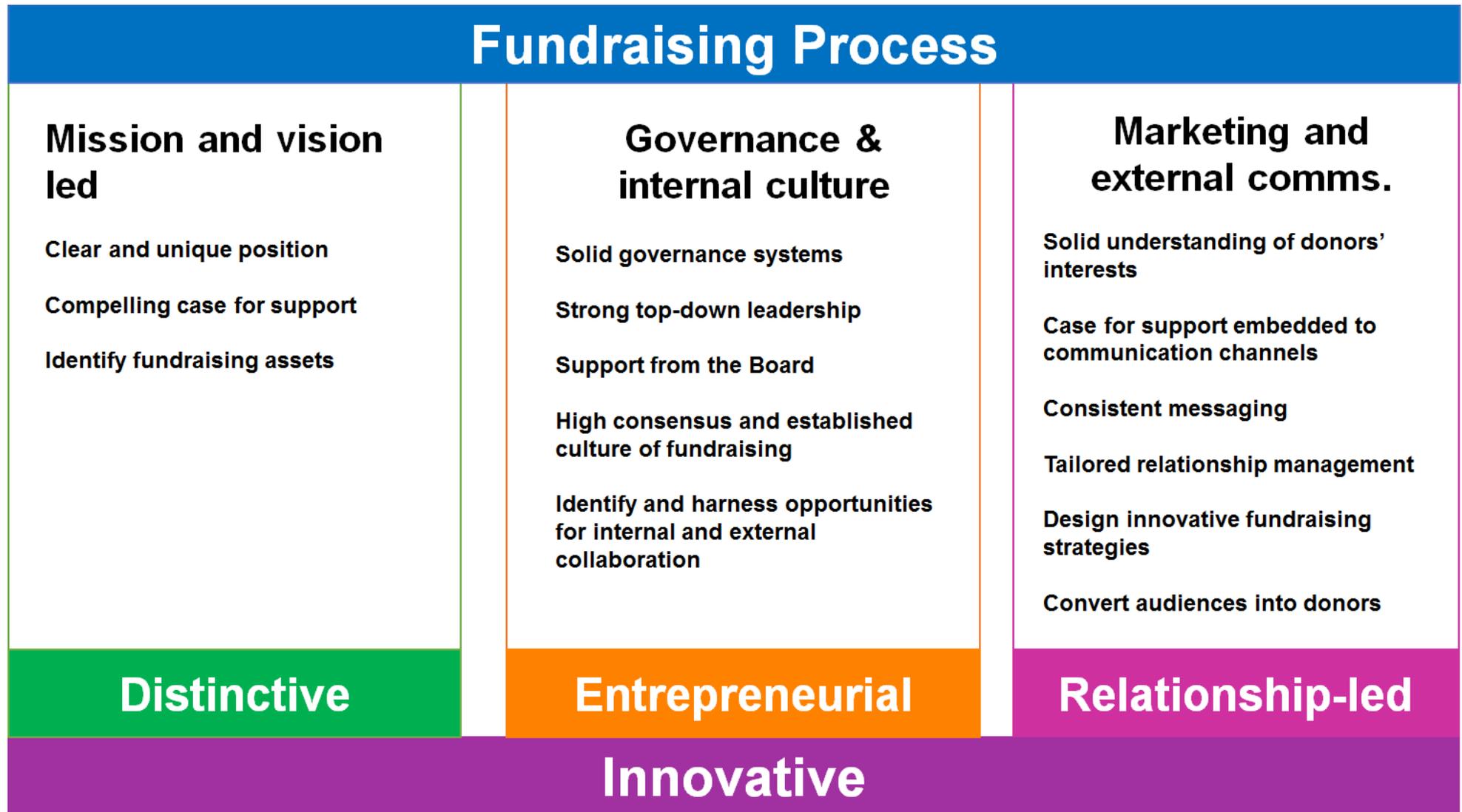
Our evaluation also identified being innovative as a fourth key approach to successful fundraising. Innovation is a cross-cutting approach that covers the whole fundraising strategy. Therefore innovation can be related to all three stages of fundraising; our research illustrates grantees that adopted innovative attitudes when designing their case for support, when identifying internal synergies and opportunities for collaboration, and when approaching new and existing donors.

### 4.2 Mission and vision – distinctive

In Year 1 we noticed the connection between a strong organisational mission and vision statement and fundraising success. If the organisation itself is not able to articulate what it does or how it makes a difference, how can donors choose to support it?

With the funding landscape becoming increasingly competitive, a compelling case for support does not just articulate what the organisation does, but also why it is distinctive and why it matters.

Figure 25: Components of successful fundraising approach



The Catalyst organisations that developed a strong mission and vision were able to undertake a really distinctive approach. They identified the qualities that make their organisation stand out and worked to consistently embed these in their fundraising processes, from their communications to their operations.

#### 4.2.1 Designing a compelling case for support

The case for support is a critical tool in the fundraising process. It is likely to be the first thing that prospective donors are engaged by, beyond the work of the organisation itself. It is also the messaging that helps members of staff and existing supporters to act as ambassadors and promote the organisation.

Catalyst helped many organisations realise the need to revise their case for support and to take the time to do so. The case studies of [the Wordsworth Trust](#) and [Opera Rara](#) show how this often entailed a shift from looking inwards to looking outwards, from articulating what the organisation is, to telling the story of what the organisation *does*, and how it makes a difference to its constituents – whether communities, audiences, artists or existing supporters.

[The Wordsworth Trust](#), a Tier 1 literature organisation based in Grasmere, redesigned its case for support to communicate much more clearly how their work makes a difference to their visitors and local communities. This revised case for support has marked an important shift in their fundraising strategy.

[Opera Rara](#), a Tier 2 organisation based in London, rearticulated its mission and vision statement, to tell the “what and the why” of the organisation much more clearly and compellingly. Opera Rara’s new mission and vision statement is the backbone of its fundraising strategy and has supported its ongoing success.

#### 4.2.2 Developing a mission and vision led fundraising strategy

Our Year 2 research shows that Catalyst helped organisations to create the time and space to consider the mission and vision of the organisation and to design a consistent and distinctive fundraising strategy. This resulted in overcoming contextual challenges and achieving fundraising success.

These organisations weaved their uniqueness through their fundraising strategies; from the design of leaflets, to membership schemes, to targeted fundraising events. Working to embed their uniqueness also led to appointing relevant new Board members and to engaging high-profile supporters.

[Plymouth Music Zone](#) (PMZ), a Tier 2 music charity based in Plymouth, elaborated a distinctive fundraising approach. The charity designed a fundraising strategy that focused on its cross-sectoral ethos, commissioning a series of independent evaluations and recruiting arts and health experts onto their Board. This resulted in a strong fundraising ask, which enabled PMZ to secure funding from a diverse range of donors, including non-traditional arts donors in the health sector.

[Akademi](#) is a Tier 2 contemporary South Asian dance company, based in London. Their original Bollywood gala organised during Catalyst helped Akademi showcase what the organisation is about and why their work matters. This led to positioning Akademi as a promoter of tradition and heritage within the Indian community in London.

### 4.3 Governance and internal culture – entrepreneurial

The experience of grantees shows that fundraising success is the outcome of an organisational process and true team effort. Fundraising works best when it is owned and shared by the entire organisation, when most people, from senior management to the Board of Trustees, the artistic director, and all other staff members, become ambassadors and promote fundraising and philanthropy themselves, engaging in relationship building (see the example of [Sage Gateshead](#)).

We also found consistent evidence of how fundraising from the private sector can enact a real transformation within the organisation, breaking silos, and stimulating a can-do, proactive approach that helps organisations to work strategically and holistically. This leads to a more entrepreneurial culture.

### 4.3.1 Building consensus to create a fit for purpose governance

Fit for purpose fundraising governance is created when responsibility for, and ownership of, fundraising are extended beyond the fundraising team and fundraising tasks are weaved into the roles of other employees, especially at senior management and Board level.

As shown by the case studies of very different grantees like the [Whitechapel Gallery](#) and [Furtherfield](#), creating fit for purpose governance requires first and foremost that the staff and Board members engage in dialogue and build consensus. Whereas training and external consultants can help build buy-in, it is important that the development and fundraising team/person play a role in creating this dialogue.

[Whitechapel Gallery](#), a Tier 1 contemporary visual art gallery based in London, strengthened the internal consensus for fundraising by organising a series of small events with donors, curators and Board members.

[Furtherfield](#), a Tier 3 technology and visual arts community-led organisation based in London, engaged its Board of Trustees by consulting each member individually and inviting them to choose the specific projects they would be interested in supporting/helping to fundraise for.

### 4.3.2 Engaging the wider organisation

The fundraising culture is enhanced when the fundraising team, or the person in charge of fundraising, takes time to devolve responsibility for fundraising across levels and departments. The Catalyst award enabled many of its grantees to do this, affording time to deliver fundraising training and to engage the wider team in fundraising activities, such as events and campaigns.

Very different Catalyst grantees like [South Asian Arts UK](#) and the [National Centre for Circus Arts](#) worked in this holistic fashion to overcome their challenges. These case studies also highlight the pivotal role of the chief executive and senior management.

[South Asian Arts UK](#), a classical and contemporary dance and music Tier 3 organisation based in Leeds, successfully deployed an “all-hands-on-deck” approach, engaging the wider team in their fundraising events and campaigns. To build internal confidence, the chief executive taught her team how to articulate their “elevator pitch”.

[The National Centre for Circus Arts](#), a circus academy based in London, successfully engaged its members of staff and students in fundraising through delivering a series of presentations that clarified the “why” of their fundraising mission internally, communicating how “every little helps”. The resulting internal commitment to fundraising has supported remarkable and ongoing fundraising achievements.

## 4.4 Marketing and external communications – relationship-led

If a distinctive mission-led case for support and a strong fundraising culture make up the backbone of the fundraising strategy, funds are not going to be raised unless prospects are approached and cultivated in the right way.

Fundraising inherently means building relationships, whether establishing new links or reinforcing existing ones. This was clearly showcased by the experience of Catalyst grantees. As Victoria Pomery, Executive Director of [Turner Contemporary](#), said:

“ People give to people, and relationship management needs to be second to none.

By embedding fundraising in their marketing and external communications processes, Catalyst grantees have become more relationship-led. Our research highlights four stages in which grantees successfully built relationships, securing the commitment, trust and satisfaction of their donors:

- first, organisations developed an understanding of what drives the philanthropic motivations of donors and potential donors (eg loyal audiences)
- second, they promoted their charitable status more proactively, embedding its case for support on communication channels, like leaflets, websites and newsletters
- third, they used consistent messaging to develop a wider and more established donor base
- fourth, they tailored the way they cultivate donors

#### 4.4.1 Understanding donor motivations

Our research shows that fundraising is more effective when supported by an understanding of why existing donors give and what could drive potential donors to give. What is it that donors particularly value about the organisation and how do they want to be involved? What kind of relationship do they seek? Are there differences in their views? Could the organisation segment its donors and create different donor categories?

Developing a better understanding of these questions enabled many organisations to formulate more successful asks. The case studies of Streetwise Opera and Sheffield Theatres show how simple donor consultations can support fundraising results.

[Streetwise Opera](#), a Tier 2 music charity based in London, gained greater insight about why its supporters value their work through undertaking a simple, free online survey consultation. These insights helped Streetwise improve their approach to relationship management and informed the design of new fundraising offers.

[Sheffield Theatres](#), a Tier 2 theatre organisation based in Sheffield, carried out a consultation with long-term supporters to develop a new patrons' scheme. The feedback was invaluable, and the patrons' scheme exceeded its targets ahead of forecasts.

#### 4.4.2 Promoting the organisation as a charity

The evaluation of the Catalyst programme found consistent evidence that understanding of the charitable status of the arts among the general public is low. Even some of the Catalyst grantees' most loyal audiences did not seem to realise that the organisations are charities contributing wider benefits to society which need supporting.

The Catalyst grant enabled some grantees to promote the charitable status and ethos of the organisation externally, but also internally. This is well illustrated by the experience of both [Sadler's Wells Theatres](#) and [Birmingham Hippodrome](#).

[Sadler's Wells](#), a world leader in contemporary dance based in London, realised how a large proportion of its audiences did not fully understand their charitable status. Their Catalyst Tier 2 award helped them change this and their development team collaborated with marketing, communications, and senior management to embed their case for support in their external communication channels. This resulted in the production of new, donor-friendly brochures and leaflets and building their case for support on their website.

[The Birmingham Hippodrome](#), a touring theatre venue based in Birmingham, successfully used video storytelling to signal their non-commercial, charitable nature and clarify to its visitors what the organisation does, and how this helps serve its communities.

#### 4.4.3 Using consistent messaging

Our research shows how developing effective messages and then using them consistently can drive success. This builds on the findings of studies that discuss how branding and story-telling help to create donor loyalty, and drive commitment to the organisation or the cause.

Catalyst helped several organisations to formulate an effective message, a distinctive logo or brand, which they then applied systematically to different elements of their campaigns. The case studies of [Sage Gateshead](#) and [The Watermill Theatre](#) illustrate this particularly well.

[Sage Gateshead](#), a music organisation based in Newcastle, launched a very successful appeal through branding its campaign around its tenth anniversary. Their use of consistent messaging helped Sage target individual donors at all levels; in the process, the organisation secured over 600 new donors, some of whom have already supported the organisation on more than one occasion.

[The Watermill Theatre](#) created a clear identity for their Catalyst campaign, designing a new logo – an image of a parcel wrapped up in a £50 note, with a tag reading “A gift to The Watermill Theatre”. The distinctive logo caught people’s attention, helping engage over 500 new donors.

#### 4.4.4 Developing a tailored approach to cultivate donors

Other research further highlights the importance of the personalised touch in fundraising. Cultivating donors is more successful when relationship management is tailored to their individual interests and preferences.

Our evaluation of the Catalyst programme shows that developing a tailored approach to cultivating donors was an important driver of success for a range of very different organisations. The case studies of Whitechapel Gallery and Sheffield Theatres exemplify this really well.

[Whitechapel Gallery](#) successfully consolidated and grew its donor base by deploying a highly tailored approach to relationship management. This tailored approach was adopted at all levels, from major to smaller donors.

[Sheffield Theatres](#) successfully worked to identify patterns among its audiences and then approached individuals with fundraising offers that matched their interests. This approach also informed the development of a new scheme.

### 4.5 Innovative fundraising

Innovation is typically associated with new technologies, but our Catalyst case studies show that acting and thinking innovatively in fundraising goes far beyond digital. The Catalyst grantees that took innovative approaches recognised and seized opportunities and found innovative solutions to harness them. ICT tools sometimes helped this process, but only when their usage supported innovative attitudes and approaches.

Catalyst case studies show how innovation cuts across the fundraising process: from mapping fundraising assets to designing a case for support, from finding innovative ways to foster collaboration, to experimenting with new ways of giving.

#### 4.5.1 Identifying fundraising assets

Organisations that have adopted an innovative approach have thought hard about their fundraising assets. By “fundraising assets” we mean the organisational features or activities that are likely to be more compelling and appealing to donors.

The Catalyst case studies show that fundraising assets are broad and varied. They could be a particularly socially-driven project, or a standout part of a programme, a relevant centenary, a high-profile supporter, loyal audiences, or a community in which an organisation is based and has strong ties with. And as highlighted by Andrew Given, Deputy Development Director at ENO:

“ Fundraising assets are what the organisation is already doing, not a whole new series of initiatives that the organisation needs to develop in order to fundraise.

[New Writing North](#), a literature organisation based in Newcastle upon Tyne, focused its fundraising efforts on the most “donor friendly” parts of its work. These are the Northern Writers Awards and Cuckoo Young Writers programme – two initiatives aimed at supporting writers of all ages. Focusing fundraising efforts on these programmes enabled them to create a consistent and compelling case for support, which showcases how the organisation helps to cultivate literature in its region.

[The Watermill Theatre](#) in Newbury overcame its donors’ “fatigue” through leveraging several existing, yet unexploited, fundraising assets. These included their education and outreach work, opportunities to meet artists and directors, and backstage tours.

[The CBSO](#), an orchestra organisation based in Birmingham, has long understood the importance of exploiting its fundraising assets and has identified a very systematic way of identifying them.

#### **4.5.2 Identifying innovative ways to foster internal and external collaboration**

How can organisations take advantage of all resources available to them? Our evaluation shows that often Catalyst helped organisations to recognise opportunities for collaboration, and to find innovative ways to foster it. This is exemplified by the case studies of B-Arts and the Birmingham Hippodrome.

B-Arts, a Tier 3 organisation leading a consortium in Stoke-on-Trent, led the development of ArtCity, a web platform that promotes a joint offer for cultural activities in Stoke on Trent. ArtCity eventually secured a three-year grant from the Esmeé Fairbairn Foundation and the organisations are now joining forces to bring their case to more private donors.

[The Birmingham Hippodrome](#) identified a potential to involve the members of staff at the box office. In addition to providing training, the Hippodrome designed a reward scheme that awarded a prize to the team member bringing in the highest donation.

#### **4.5.3 Formulating innovative fundraising packages**

Designing an innovative strategy, or adding innovative strands to existing ones, can open new doors to organisations.

This is well exemplified by the case study of the English National Opera, which branded their endowment “ENO Create” and structured it as an innovative financial product that partly invests in their own productions – those that have strong commercial potential (via revivals and digital transmission). This enabled ENO to target new donors attracted by strategic philanthropy and innovation.

## 5. Conclusions

### 5.1 Meeting the aims of the programme

In summing up the findings across the three years of the evaluation, it is useful to reflect on key findings in relation to the four inter-related aims of the programme, which were to:

1. build the capacity and ability of arts organisations to fundraise
2. incentivise giving to the arts, particularly from new donors
3. contribute to diversifying income sources, thereby increasing arts organisations' resilience
4. support a long-term culture change/shift towards fundraising

The Year 1 evaluation identified exactly how Catalyst grantees were building their capacity and expertise regarding fundraising. This looked firstly at the specific actions and activities that grantees were undertaking, but also at the more structural changes that were being made to organisations' governance, processes and strategies. These were found to be in line with tackling the main barriers and supporting the enablers of fundraising in the arts as identified through the literature review and contextual research.

Both Year 1 and Year 2 documented how the match funding element of both Tier 1 and Tier 2 was widely welcomed. It made it more attractive for donors (both new and existing ones) to give, at the same time as organisations were improving their ask. It provided forward momentum to the organisations' fundraising efforts, creating the best possible conditions for them to succeed.

In terms of financial outcomes, the Year 1 survey undertaken while Catalyst was still underway suggested that the share of overall revenues accounted for by private giving had increased incrementally to 12 per cent. The financial analysis in Year 2 suggested that, while not all Tier 1 and 2 organisations had met their financial targets for match funding, significant sums had been raised (£49.5 million across the programme) – such that they were slightly in excess of

how much the Arts Council had invested in the beneficiary organisations (£48.5 million).

Year 3 assessed the degree to which the fourth aim has been achieved, namely whether a long-term culture change/shift in organisations towards fundraising was supported. One year on from the end of Catalyst, the findings of this year's evaluation are largely positive in this respect. Catalyst has largely left a sustainable legacy for organisations, which is likely to last into the medium if not long term (which is always harder to assess as it is further away). Evidence for this conclusion is provided by:

1. organisations' continuation of capacity building activities (eg training and consultancy) and activities that build support bases (eg membership schemes)
2. the commitment across the majority of organisations to maintain or increase the level of resources allocated to fundraising, and a greater focus on planning, effectiveness and monitoring of their fundraising
3. the considerable organisational change undertaken by grantees, including the development of written fundraising strategies, new dedicated fundraising roles, new Board members (often with new fundraising responsibilities), and the extension of responsibility for fundraising across organisations

These changes are likely to produce their greatest benefits in the medium to long term. This suggests that grantees have indeed re-oriented or deepened the commitment to fundraising within their organisations and within their organisational cultures (as opposed to shrinking back to the position they were in before the programme, once the grant funding had ceased). Further evidence of the sustainability of organisations' enhanced fundraising capacity is the dramatic turnaround in the cost-benefit of fundraising within organisations from pre-Catalyst to post-Catalyst, with the majority now cost-positive.

### 5.2 The distribution of benefits

The evaluation brief also asked us to look at distributional questions, namely did some organisations benefit more than others?

### 5.2.1 The three tiers

In terms of programme design, the Year 3 findings show that organisations that participated in Tier 2 have consistently experienced more benefits than those in Tier 3. There are very good reasons for this, both in terms of programme design (Tier 2 organisations were given a lot more money than Tier 3 organisations, so the intervention was larger), but also in terms of the grantees themselves (Tier 2 organisations already had some experience and success in fundraising).

The match funding and capacity building formula of Tier 2 forms the basis of the follow-up Arts Council Catalyst: Evolve programme, while widening out the beneficiary pool to organisations with less fundraising experience, and this year's results support this programme design choice.

Of course, this is not to say that either Tier 3 or Tier 1 did not also produce results. Tier 3 organisations have performed really well overall, and this year's survey results also show that almost three quarters of Tier 3 organisations found the experience of working in consortia (as required under the terms of Tier 3) a positive one, and over half of the organisations have continued to collaborate with some of their consortia partners since the programme has finished. This sustained collaboration mostly revolves around sharing knowledge and expertise.

The picture painted by the Tier 1 Endowment organisations is also positive. Year 2 showed that the programme was highly successful. This was more so for smaller organisations, which were able to put their endowment fundraising at the forefront of their work but also for larger organisations for which the endowment happened at a favourable time, coinciding with the organisation's broader plans and needs.

And although our findings from Year 2 do pose questions related to the challenges of setting up and campaigning for technical and complex tools like endowments within a three-year timeframe, our Year 3 research also shows that the programme has left multiple legacies. Beyond the endowment dividend itself, the programme built greater organisational resilience for the grantees and the Catalyst endowments are already playing a role in the organisations' funding toolbox, helping them to better attract and manage larger gifts.

### 5.2.2 Organisations' demographics

Concerning the "demographics" of the organisations themselves, the analysis of the Arts Council Catalyst management data in Year 2 showed that larger organisations are more likely to be able to raise greater sums of private giving income.

However, the same analysis provided only some empirical support to previous evidence that suggests that being based in London is associated with a greater ability to raise private giving income. The results were not unequivocal and in fact challenged the conclusion that "geography is destiny".

One of the most commonly cited reasons for why a regional location may restrict arts organisations' ability to fundraise, is a lack of donors outside London. What the evaluation results suggest is that, putting aside this issue of the donor landscape, there are still improvements that can be made in terms of internal organisational factors that will increase the ability of arts organisations outside London and the South East to fundraise.

Looking at the immediate post-Catalyst period, the Year 3 survey results continue to show encouraging results for the Catalyst beneficiaries based outside London and the South East. Organisations based in the Rest of England have made greater investment in training, in digital infrastructure, and have upped the number of dedicated fundraising posts more than their peers in London and the South East. This would suggest both that there is still a greater need for fundraising capacity and expertise in arts organisations outside of London and its environs, but also that Catalyst has helped many beneficiary organisations to address this gap to some extent.

Finally, the Year 2 econometric analysis of the financial management data did prove that there were statistically significant correlations between larger size and a location in London and the South East and private giving income raised. However, correlation does not equal causation and when tested for, both size and geography were found to account for relatively little in terms of the variation in private income raised (approximately 20 per cent). This pointed to the importance and influence of other factors such as undertaking a range of good practices around fundraising.

The qualitative research conducted throughout all years of the evaluation contains plenty of evidence on what other organisational factors are important in the ability of arts organisations to fundraise. These include a mission and vision led fundraising strategy, fit-for-purpose governance and an established culture of fundraising, and deploying a relationship-led and innovative approach.

### 5.2.3 Adaptive resilience: an ongoing challenge

At the heart of the Arts Council's desire to increase arts organisations' resilience is adaptation, the ability of organisations to change in response to their external environment. The longer phrase of "adapting resilience" much more clearly highlights that resilience is an ongoing dynamic process, not a steady state that is to be achieved, like a quality standard.

The majority of Catalyst beneficiaries have shown themselves to be capable of organisational change. The direction of this change also has clear commonalities: greater entrepreneurialism, more involvement in the fundraising mission, stronger relationships with the organisations and people that give money to organisations, and larger private giving revenues.

However, since the end of the programme, the fundraising experience of several Catalyst grantees has still been tough. In particular, although many Catalyst grantees were able to attract trust and foundation funding with the support of Catalyst, they are now finding that this is not a stable source of revenue: trusts and foundations are heavily oversubscribed and so very rarely provide repeat funding to organisations. As a result, Catalyst beneficiaries are having to more regularly target individual giving, which many are finding more difficult than trusts and foundations, particularly non-venue based, non-ticketing organisations, or umbrella organisations. How well they adapt to this next new challenge remains to be seen, although the behaviours and attitudes that most organisations have fostered through Catalyst, should stand them in good stead.

### 5.2.4 The contribution of the programme

Lastly, in assessing the impact of Catalyst, it is important to consider the degree to which the changes and outcomes picked up by our evaluation can actually be attributed to Catalyst, or are more likely to be the result of other "confounding

factors". In the responses to the Year 3 survey, the majority of the organisations reported that the Catalyst programme did make a major contribution to (i) the activities that they undertook to improve their fundraising capacity and practice, and (ii) the financial outcomes of their fundraising strategies.

Catalyst really did act as a catalyst; most typically this was through increasing the rate of change or speed of travel that organisations were already taking, but for relatively sizeable minorities (between 18-43 per cent), the impact of Catalyst was more fundamental. The comparative case studies suggest reasons how Catalyst might have had this affect, by enabling:

- greater ability to plan and think long-term, through the provision of resources that freed up capacity
- dedicated time to identify and approach new donors – as opposed to relying on more reactive and opportunistic approaches from existing donors
- opportunities to develop fundraising expertise through training and the use of consultants that would otherwise be hard to justify financially

Overall, the results strongly suggest that Arts Council England's investment in their largest strategic programme has paid dividends in contributing to real change in the sector related to private giving.

This evaluation also produced a wealth of material that contributes to a better understanding of good practices and state-of-the-art regarding philanthropy in the arts in the UK. This is of interest not just here in the UK but also internationally, for the challenges that England's arts organisations face are not unique. Fiscal pressures in many developed nations are translating into a prolonged squeeze and shift in public finances away from long term grant funding. As a result, there is great interest among cultural policymakers internationally about how arts organisations can successfully transition to a more mixed economy model in which private giving is a key element. Catalyst is uniquely interesting from this perspective as there is no other policy intervention that is comparable to it in terms of its size, ambition and the sustained duration of its operation.

## 6. Appendix

### 6.1 List of interviewees

#### 6.1.1 Stakeholders

The stakeholders who took part in our research are:

- Keith Nichol, Head of Philanthropy, DCMS
- Anne Young, Head of Strategic Business Development, HLF
- Amanda Rigali, Cause4, Arts Fundraising and Philanthropy Programme
- Sue Hayton, University of Leeds, Arts Fundraising and Philanthropy Programme
- Michael Nabarro, Managing Director, Spektrix
- Libby Penn, Director of Business Development, Spektrix

#### 6.1.2 Donors

Donors who took part in our research include:

- Alan Bookbinder, Head of the Sainsbury Family Charitable Trusts
- Aliceson Robinson, Chair of the Young Patron Committee of the National Theatre
- Cathryn Pender, Grants Director, John Lyon's Charity
- David Chinn, Partner, McKinsey, and Trustee, Chair of Development Committee at National Centre for Circus Arts
- David Hall, Chief Executive, The Foyle Foundation
- Ewan Hunter, Director, The Hunter Foundation

- John Studzinski, Senior Managing Director & Global Head of Blackstone Advisory and Founder and Chair of The Genesis Foundation, at Genesis Foundation
- Nicky Lappin, Research and Information Manager, The Tudor Trust
- Omar Al-Qattan, Chairman, The AM Qattan Foundation
- Philippa Charles, Director, Garfield Weston Foundation
- Regis Cochefert, Head of Arts, Paul Hamlyn Foundation
- Sir Stephen Waley-Cohen BT, Chairman, The Garrick Charitable Trust

#### 6.1.3 Tier 1 organisations

Tier 1 organisations that took part in our research include:

- Aldeburgh Music
- Birmingham Royal Ballet (BRB)
- City of Birmingham Symphony Orchestra (CBSO)
- English National Opera (ENO)
- Hallé Concerts Society (Hallé)
- London Philharmonic Orchestra
- London Symphony Orchestra
- North Music Trust (The Sage)
- Opera North
- Philharmonia Orchestra (Philharmonia)
- Royal Shakespeare Company (RSC)

- Serpentine Galleries (The Serpentine)
- The Old Vic Theatre Trust 2000 (Old Vic)
- The Orchestra of the Age of Enlightenment
- The Wigmore Hall Trust (Wigmore Hall)
- Turner Contemporary
- Whitechapel Gallery
- Wordsworth Trust

#### 6.1.4 Tier 2 organisations

Tier 2 organisations which took part in our research were:

- Ministry of Stories, Literature, London
- FACT, Visual Arts, North West
- National Centre for Circus Arts, combined arts, London
- Dance Exchange, Dance, West Midlands
- New Writing North, Literature, North East
- Spike Island, Visual Arts, South West
- Streetwise Opera, Music, London
- Birmingham Hippodrome, Combined Arts, Midlands
- Watermill Theatre, Theatre, South East
- Akademi, Dance, London
- Sheffield Theatre, Theatre, North

- How We Work Together, Visual Arts, London
- Salisbury Festival, Combined Arts, South West
- Norfolk & Norwich Festival, Combined Arts, East of England
- Sadler’s Wells Theatre, Dance, London
- Writer’s Centre Norwich, Literature, East of England
- New Vic Theatre, Theatre, Midlands

#### 6.1.5 Tier 3 organisations

Tier 3 organisations that took part in our research were:

- Equal Arts, Combined Arts, North East
- Spike Island, Visual Arts, South West
- B-Arts, Combined Arts, Midlands
- Manchester Jazz, Music, North
- Free Word Centre, Literature, London
- ArtSpace Cinford, Visual Art, Tier 3, SouthWest
- Create Gloucestershire, Combined Arts, South West
- Furtherfield, Visual Arts, London
- South Asian Arts, Combined Arts, North

## 6.2 Short case studies

### 6.2.1 Designing a compelling case for support

#### The Wordsworth Trust

The Wordsworth Trust is a literature organisation based in Grasmere in the Lake District. It manages Dove Cottage, where William Wordsworth lived, wrote and found inspiration. It has an ongoing schedule of events, workshops and education programmes, focusing on both the Wordsworth Trust's collection and contemporary literature.

During its Catalyst Tier 1 endowment campaign, the organisation realised that their case for support provided a lot of information about the history of the building and the poet himself, but failed to articulate what it is that the organisation does. The Wordsworth Trust also found that the case for support needed to be shortened, in order to be more effective and compelling. As Mark Bains, the Development Manager, explained, "we realised our case for support was mostly about us, it was telling how we were looking after all this heritage, but it was not really telling why we are important to our visitors and our community".

As shown below, The Wordsworth Trust's case for support now clearly spells out how the organisation makes a difference and what makes it special:

“ The Wordsworth Trust brings art and literature alive for tens of thousands of people every year. As well as Dove Cottage and its neighbouring historic buildings, we look after an important collection of works by Wordsworth and the other writers and artists of the period. At the heart of this collection are the manuscripts that Wordsworth's descendants gave to the Wordsworth Trust in 1935 so that they could remain at Dove Cottage. This is one of the things that make Dove Cottage so special. It is very unusual to find the original works of such a major writer at the very place with which he or she is most associated.

This revised case for support is now helping the organisation approach new donors as part of its new capital campaign.

#### Opera Rara

Opera Rara is a London based recording company for the overlooked operatic repertoire of the nineteenth century. In a time of considerable difficulty for recording companies, Opera Rara is still a successful organisation and Catalyst has played a key role in enabling its success in recent years.

One of the things that the organisation realised when approaching donors, is that their mission and vision statement was not the most compelling, nor did it tell the full story about their organisation. Their existing case for support suggested that the organisation is about "recording the world's finest operas", which did not highlight how the organisation plays a unique role in preserving precious intangible heritage, which would otherwise be lost (as they also preserve the scores and other material related to the works). This process entails considerable research and restoration and it is these kinds of activities that many of Opera Rara's most loyal supporters value, rather than the process of record making and selling itself.

The organisation's revised mission and case for support now reads: "recover, restore, record and perform the forgotten operatic heritage of the nineteenth century".

According to Robert Moffat, Development Director, Opera Rara's new case for support has helped the organisation in many ways, including widening its reach and successfully targeting new donors.

### 6.2.2 Developing a mission and vision led fundraising strategy

#### Plymouth Music Zone

Plymouth Music Zone (PMZ) is a community music charity working with some of the most disadvantaged and marginalised children, young people and vulnerable adults across Plymouth and beyond. This includes working with individuals with acquired brain injuries (including from accidents and strokes), individuals with complex needs, including young adults with disabilities and learning difficulties, and refugees who have undergone traumatic experiences. PMZ's focus and fundraising context could be considered challenging; it is

based in one of the most deprived areas of Plymouth, and the organisation obviously differs from many traditional music organisations in that they do not have audiences or a public-facing building, and they do not sell tickets, or present performances.

These challenges have not stopped PMZ developing a solid fundraising strategy. Rather, they have employed their distinctive mission and vision as the basis of their fundraising strategy. PMZ have built a compelling and robust case for support that clearly evidences how they make a difference as an organisation. To support this, PMZ has commissioned a series of thorough independent evaluations from academic institutions and research centres to evidence their case. They have also made use of video and storytelling to showcase their work and to reach out to and engage a diverse range of funders. To further establish their profile and to gain credibility in the arts and health sector, they have appointed Norma Daykin, Professor of Arts and Wellbeing at the University of Winchester, to join their Board of Trustees.

As a result of these developments, the organisation has successfully reached outside of the traditional pool of arts donors and targeted private trusts and foundations working in the health sector, such as The Lloyds Bank Foundation's Older People's Programme and The Dunhill Medical Trust.

### **Ministry of Stories**

The Ministry of Stories (MoS) is a creative writing and mentoring centre for young people, based in Hackney, East London. Taking inspiration from a similar project in the US, MoS partners with an adjacent toy shop, Monster and Co, to generate earned income and to pair young people with individual mentors, all of whom are professional writers who have volunteered their time to take part.

The original model attracted a lot of attention and MoS directors worked to retain the same distinctiveness when designing their fundraising strategy. As a result, their fundraising proposition spells out their mission and vision, based on creativity, originality and storytelling. MoS does not have patrons, but rather, "ministerial appointments" (eg one of their most high-profile supporters and advocates, actor Colin Firth, is Minister of Fluency). Its cultivation events are

storytelling workshops attended by some of their children, writers and storytellers.

The clarity and originality of their case for support has contributed to attracting a range of high-profile donors, such as Colin Firth, Emma Thompson, Google, Pearson and Penguin Random House, among others.

### **Akademi**

Akademi is a contemporary South Asian dance company, based in North London. Reinterpreting traditional Indian dance in a transcultural and contemporary context, Akademi has a diverse programme, including productions, commissions, artist development, and activities that focus on education and mental health. Having had success in attracting support from trusts and foundations, Akademi had consistently struggled in securing individual donors.

To overcome this challenge, the organisation used part of its Catalyst award to organise a live Bollywood gala, Umrao Jaan, which would recreate the atmosphere of the Bollywood fairytale. The event design blended tradition and contemporary elements, clearly communicating what Akademi stands for through the music, dance and the storytelling performances by Akademi's artists and friends. This original idea also enabled the organisation to secure the support of high-profile South Asian philanthropist, Surina Narula, who offered to host the gala in her garden and delivered a speech to encourage the guests to support Akademi.

The hard work paid off and ultimately, the gala's ambitious scale and unconventional, original concept helped Akademi position itself as a promoter of tradition and heritage within the Indian community in London, and the organisation now benefits from a network of existing and potential supporters. Surina Narula has supported Akademi ever since.

### 6.2.3 Building consensus to develop a fit for purpose governance

#### Whitechapel Gallery

Whitechapel Gallery is a contemporary visual art gallery based in London. It is a touchstone in the London cultural landscape: for over a century it has premiered world-class artists from modern masters to contemporary artists. The gallery houses a programme of temporary exhibitions devoted to modern and contemporary art, new commissions, public and private collections, and archive displays.

Whitechapel Gallery has strong internal fundraising expertise and capacity. However, the organisation is still working to establish a fundraising culture and extend ownership for fundraising beyond the development team. To help progress towards this goal, the development team worked to facilitate dialogue between Board members, senior curators, and existing donors, as part of the Catalyst endowment process. These activities helped to build greater confidence and consensus around fundraising, and to deconstruct negative perceptions of how fundraising might impact the artistic programme and ethos of the organisation. Darryl de Prez, Head of Development at Whitechapel Gallery, commented: “the culture of fundraising within the cultural sector in the UK is still not well established. This might result in a misunderstanding of what fundraising is about – the development team needs to work to equip their colleagues with adequate confidence and knowledge in fundraising processes.”

This dialogue is already helping Whitechapel Gallery improve their fundraising processes and results. In the words of Darryl: “fundraising is very much a team effort and it makes a difference when the development team can work collaboratively and count on the support of senior colleagues and Board members, particularly within building new, and cultivating existing, relationships.”

#### Furtherfield

Furtherfield is a technology and visual arts based community-led organisation, located in Finsbury Park, London. Established in 1997 as an online community of artists, technologists and activists, Furtherfield has achieved international

awareness with 26,000 contributors worldwide having built a visionary culture around co-creation – swapping and sharing code, music, images, video and ideas.

However, until 2012 the organisation did not raise any voluntary income. So when it was awarded a Catalyst grant, the organisation started to think of its fundraising processes from scratch. Thea Behrman, Fundraising Manager, commented: “We had to change the way we thought about ourselves and how we manage the organisation”. In addition to working hard on all aspects of its fundraising strategy, the organisation proactively thought about how to engage its Board of Trustees. Furtherfield decided that the best way to do this would be to empower their Board and help them decide what kind of projects and activities they were willing to support and help develop. Thea said: “We thought about their interests and we suggested different projects they might support or fundraise for and they reacted well.”

Furtherfield’s tailored approach was a success and as a result their Board now plays an important and active role in their fundraising.

### 6.2.4 Engaging the wider organisation across all levels and departments

#### South Asian Arts

South Asian Arts is an organisation committed to providing the very best opportunities for learning and experiencing South Asian classical and contemporary music and dance in the North of England. Established in Leeds in 1997, the charity has a diverse range of programmes and participatory activities for children, young people and their families.

Before Catalyst, the organisation relied heavily on public subsidy. According to Keran, the chief executive, a real change in mindset needed to take place in order to diversify the organisation's revenue streams and secure the long term sustainability of the organisation. To do this, Keran was determined to involve the rest of the organisation in fundraising and to encourage them to take responsibility for raising funds.

An annual fundraising event provided a key opportunity for the organisation, its volunteers, and its students to get involved. To prepare for the fundraising event, everybody familiarised themselves with the organisation's case for support, learning how to make a fundraising pitch. As a result of this team effort the event, that in previous years raised approximately £1,500, raised over £5,000. This initial win paved the way to many further successes.

### **National Centre for Circus Arts**

The National Centre for Circus Arts (NCCA) is the largest organisation for the development of circus arts in the UK. Having experienced substantial cuts in funding, the organisation turned to private fundraising, supported by their Catalyst award. However, when trying to deliver their fundraising strategy they encountered uneasiness amongst staff. The senior management and the fundraising team realised that the culture of the organisation needed to change if they were to succeed.

To support this change, the senior management and fundraising team jointly took the time to clarify the "why" of their fundraising mission internally. With the help of the finance team, the executives delivered internal presentations to illustrate how fundraising was needed to support NCCA. The presentation was not technical; information was conveyed in a simple and direct way. The development and senior management teams then sought to cultivate a culture of fundraising within the organisation and to engage staff in fundraising, making clear that every little helps, and that everyone can be a fundraiser. Members of staff were encouraged to develop a donor-friendly attitude to those visiting the organisation and to get involved in delivering fundraising campaigns and events.

The success of these internal campaigns is reflected in many achievements, from full donation boxes, to students and employees enthusiastically acting as fundraising ambassadors. A particularly striking example is provided by the donor journey of Aileen Getty, a well-known American philanthropist, who became the first major supporter of the organisation. When Aileen's PA called to enquire about the possibility of scheduling some private classes for Aileen, the staff member who took the call should in theory have simply answered that the centre does not offer private classes. However, she decided to note the contact details and to report the call to her senior manager instead, as she understood

that Aileen might become a potential supporter of the organisation. Aileen Getty is now a major donor to the NCCA, having agreed to give £200,000 per annum to the organisation over three years.

### **Turner Contemporary**

Turner Contemporary is one of the UK's leading art galleries. Situated on the same Margate seafront that Turner stayed when visiting the town, Turner Contemporary presents a rolling programme of temporary exhibitions, events and learning opportunities, which make intriguing links between historic and contemporary art. Having only been established in 2011, the organisation did not benefit from substantial fundraising experience, or from a large existing donor base when undertaking its endowment campaign.

The Catalyst endowment was therefore promoted internally as an important joint mission within the organisation, one that everybody should contribute to. Director Victoria Pommery explained, "I was very clear with the rest of the organisation: all of you need to be fundraisers, not just the development team." Victoria energetically promoted the importance of being responsive to donors, regardless of the amount given. As she sees it, a donation is not the end of the mission, but the beginning of the journey: "That's when you follow up, you gather data, you send greetings and postcards." Turner Contemporary also purchased a customer relationship management system called "ThankQ", which all members of staff were trained to use.

Turner Contemporary's resulting endowment is the result of a real team effort. For example, high net worth individuals were approached and engaged by Victoria, the Executive and the Development team, as well as by Turner Contemporary's Board. Lower level donations were largely secured by other members of staff who understood the importance of fundraising for the organisation and actively contributed to growing and cultivating the organisation's donor base.

Eventually, in Victoria's own words, this resulted in "a real cultural shift towards becoming an income generating and entrepreneurial organisation, that is run like a business and is not afraid to make the ask." This cultural shift is not only pertinent to fundraising, but to the wider management of the organisation:

“It’s about learning to think about your networks and make the ask for money, make the ask for loans of art works and make the ask for help. What is the worst thing that can happen?!”

## 6.2.5 Understanding donor motivations

### Streetwise Opera

Streetwise Opera works across the UK to provide homeless and formerly homeless people with opportunities for development through participation in music making. Approaching its tenth anniversary in 2012, Streetwise became determined to strengthen its organisational resilience, and diversifying income streams was seen as an important part of this plan.

To inform its new fundraising strategy, Streetwise used part of its Catalyst award to develop a better understanding of why audiences and supporters value their work. To do this, the organisation carried out a simple survey through the popular online survey tool, Survey Monkey. The survey was completed by a significant number of respondents, whose answers generated valuable insights. In particular, it was clear that donors and supporters were passionate about how engaging in creative activities can unleash the personal development of people who had experienced severe challenges in life.

This increased understanding of the motivations for support informed the design of subsequent fundraising offers and relationship management. For example, the organisation started offering more possibilities to get involved in workshops, meeting the artistic director or some of its beneficiaries. This new approach worked well, and Streetwise Opera successfully secured support from a range of individuals.

### Sheffield Theatres

Sheffield Theatres, a major regional theatre based in Yorkshire, started fundraising from private sources in 2005, focusing on individual giving, corporate partnership and sponsorship, with some good initial results. However, Sheffield Theatres found it challenging to make their fundraising activities cost effective, and often found that their efforts exceeded their returns.

To help change this, Sheffield Theatres used part of its Catalyst award to set up a regular giving philanthropy programme which, unlike their existing membership scheme, would not centre on an exchange of benefits. But before setting the scheme up, the organisation sought to develop a better understanding of why existing and potential donors were supporting them, and consult them about how to design the new patrons' scheme. The consultation was carried out with long-term supporters and engaged members of the audience.

The feedback was invaluable and enabled the organisation to create a regular giving campaign with donors able to make a monthly donation from as little as £1, and with some at the higher end, giving £50 per month. This new fundraising campaign already generates over £6,000 per annum with very promising scope for further growth.

## 6.2.6 Promoting the organisation as a charity

### Sadler’s Wells Theatre

Sadler’s Wells is a world leader in contemporary dance, presenting a vibrant year-round programme of dance of every kind – from tango to hip hop, ballet to flamenco, Bollywood to cutting-edge contemporary dance – bringing the best of international and British dance to wide audiences every year. As the profile of the organisation had continued to rise,, so had Sadler’s Wells fundraising ambitions.

To realise these ambitions, Sadler’s Wells used part of its Catalyst award to promote the organisation as a charity more proactively. According to Anna Clark, Individual Giving Manager, it was not clear to many of their loyal audiences that Sadler’s Wells is a charity that needs support. To help change this perception, Sadler’s Wells used a part of its Catalyst grant to embed their case for support in their external communication channels. The Development team worked collaboratively with Marketing, Communications, and Senior Management, to produce new, donor-friendly brochures and leaf-lets and to build their case for support in their website. This process entailed more than just adding some information about how to give in their existing material. The organisation redesigned promotional material and communication channels so

that they would speak to a diverse audience, including potential prospects. For example, they sought to frame their work in a way that clearly showcases how Sadler's Wells makes a difference to its artists, its audiences and the world of dance worldwide.

Although the benefits associated with Sadler's Wells communications are hard to quantify, the organisation feels that working to promote the charitable status of the organisation has been a helpful process. The theatre now feels more confident about how it presents itself and liaising with different departments also helped the organisation to promote the importance of fundraising internally.

### **Birmingham Hippodrome**

The Birmingham Hippodrome, a touring theatre venue based in the heart of the city, had started fundraising several years before being appointed its Catalyst Tier 2 award. However, private revenues had not grown according to plan. Individual giving had been particularly hard to secure, and it was felt that this was partly due to many people not recognising the charitable status of the organisation. Rachael Griffin, Development Manager, Individual Giving and Trusts reported:

“ We are an independent charitable trust. But lots of people think we are commercial. They don't know we are a charity.

To promote its charitable status more widely, the organisation decided to try out video storytelling. The video told the story of the organisation and compellingly conveyed what the Hippodrome does, how the organisation makes a positive impact on its community and why it needs support. The video was shown at cultivation events such as their major grants dinner, but also in one-to-one meetings with donors. The video was also embedded in the Hippodrome's website and email, gaining a good level of hits.

Although it is hard to quantify the benefits associated with promotional initiatives like the Birmingham Hippodrome's fundraising video, it was found that it worked really well. The video was received very positively from audiences and

donors and the organisation and as a result, the organisation now feels more confident about approaching prospects.

## **6.2.7 Using consistent messaging**

### **Sage Gateshead**

Sage Gateshead is a major music venue based in the North East. All aspects of its work regionally, nationally and internationally are managed and programmed by North Music Trust. When Catalyst was launched it had already started growing its private income levels, but this was happening at a slow rate of growth and the focus was predominantly on trusts and foundations, which accounted for 75 percent of income raised from voluntary sources. Income from individuals at the time was only a small proportion, with the emphasis being a membership club, rather than major gifts.

The Tier 1 Catalyst Endowment campaign helped the organisation to address this. The organisation identified its tenth anniversary as a very good opportunity to target individual donors at all levels. The development team worked closely with the Board and senior management to design their new fundraising appeal focusing around the tenth birthday of Sage. Their chair, Lord Puttnam, led the recruitment of 20 patrons for the campaign, from a range of sectors including music, business and even athletics, such as Jonathan Edwards. As a result, their tenth anniversary became the *fil rouge*, the consistent message that underpinned their diverse set of initiatives, from marathons to cultivation events, from special concerts to online and box office appeals.

Sage's tenth anniversary campaign was a real success and the organisation exceeded its £2 million Catalyst Endowment target. In the process, the organisation also secured over 600 new donors, some of whom have already supported the organisation on more than one occasion.

### **Watermill Theatre**

The Watermill Theatre in Newbury started fundraising long before receiving Catalyst, but the fundraising campaigns launched by the organisation before

getting the award were affected by a high level of donor fatigue, compounded by the economic downturn.

The Catalyst award enabled the organisation to refresh their offer and to make their campaigns more effective. To do this, the Watermill created a clear identity for their Catalyst campaign at the outset. A new logo was designed – an image of a parcel wrapped up in a £50 note, with a tag reading “A gift to The Watermill Theatre”. This distinctive logo was included in all publicity and marketing materials relating to Catalyst and caught people’s attention and, with the addition of the match funding message, motivated people to donate.

The Watermill Theatre Catalyst campaign worked really well and engaged with over 500 new donors. The Watermill was able to exceed its targets by over 30 per cent. The organisation also feels that its culture of fundraising has been strengthened by Catalyst, both internally with the team and board and externally with audiences and supporters. Its consistent messaging was seen integral to building this success.

## 6.2.8 Developing a tailored approach to cultivating donors

### Whitechapel Gallery

Thanks to Whitechapel’s high profile and visibility, its case for support is an attractive one, especially for contemporary art lovers. Yet, fundraising for Whitechapel is not without challenges. As head of development, Darryl de Prez, commented: “Whitechapel competes with organisations like Tate Modern, like MoMA, and many other contemporary art institutions in the world. To do this we need to set ourselves apart and make a really clear case of why donors interested in supporting a world-leading contemporary art institution should support us.”

To address this big challenge, Whitechapel decided to deploy a highly tailored approach to relationship management. During its endowment campaign, Whitechapel approached several major prospects, all of whom were interested in different parts of the programme. Some of these donors came from Russia, and so Whitechapel offered them the opportunity to get closer to their Russian

artists focused programme. Other donors came from the Middle East and were introduced to curators of their Middle East focused shows.

Whitechapel also seeks to deploy this personalised approach to smaller donors, utilising their Customer Relationship Management systems to understand their patterns and preferences, or sending birthday or other special event good wishes. It is clear that the degree to which the relationship is tailored and the cultivation is personalised will vary according to the profile of the prospect: “You have to be careful about how you spend your time!” warns Darryl. Identifying ways to make donors and prospects feel part of a family can be really helpful. A more targeted approach can also mean a more effective use of resources.

This approach certainly proved very successful for Whitechapel, which hit its endowment target. The strong relationships it cultivated had played a big part in fostering success.

### Sheffield Theatres

Sheffield Theatres is a major regional theatre based in Yorkshire. Through its Catalyst award the organisation undertook a series of actions aimed at improving the cost effectiveness of its fundraising activities.

Developing a tailored approach to relationship management was seen as an important part of this new, more effective approach to fundraising. To do this, the organisation worked to identify patterns among its audiences and then approached individuals with fundraising offers that matched their interests. For example, the fundraising team identified individuals who frequently booked for productions of new work and cross-referenced this data with individuals who had multiple donor relationships with Sheffield Theatres (eg gala auction prize winners, large one-off donors, seat sponsors). The result was a relevant prospect list of individuals who were approached individually to join a group dedicated to supporting the development of new work, the New Work Group. The organisation asked for a donation of at least £1,000 per year to join their New Work Group.

Sheffield Theatres’ strategy was a success and the organisation hit its target ahead of time: 15 new work donors joined the scheme within five months.

According to Deborah Larwood, Fundraising Manager at Sheffield Theatres, the tailored approach to asking created more confidence internally which helped when making this ask.

## 6.2.9 Identifying fundraising assets

### New Writing North

New Writing North (NWN), a literature development agency based in the North East of England, had long had a desire to design and implement a fundraising strategy. But in addition to internal constraints like low capacity, the organisation faced external challenges related to geography and artform: “There are not many potential businesses interested in supporting the arts – and especially literature – in the area,” observed Claire Malcolm, Director.

When it eventually received a Catalyst award, NWN was determined to act as strategically as possible. To do this, they identified the “donor friendliest” parts of its work and a series of projects which were more likely to appeal to donors. These are the Northern Writers Awards and Cuckoo Young Writers programme – two initiatives aimed at supporting writers of all ages. The organisation focused its fundraising efforts on these programmes to showcase how it was helping to cultivate literature in the North East, creating a consistent and compelling case for support.

Building their case for support around these two assets enabled the organisation to meet their targets and to raise private funds from a range of different donors. For example, the University of Northumbria committed to supporting the organisation’s activity and in particular its annual event, the Northern Writers Awards. They also successfully ran a crowd funding campaign to set up a new award category.

### Watermill Theatre

At the beginning of its Catalyst journey, the Watermill Theatre in Newbury faced a degree of donor fatigue – their campaigns, which in the past gained good traction, did not yield the same results they used to.

To help address this, the organisation refreshed their case for support. Their revised case for support and fundraising strategy entailed leveraging several fundraising assets, including their education and outreach work, opportunities to meet the artists and directors, and backstage tours. These are not “new initiatives” that the theatre developed from scratch (the organisation has been reaching out to large community groups for several years), but they were not communicated to existing and new donors as proactively.

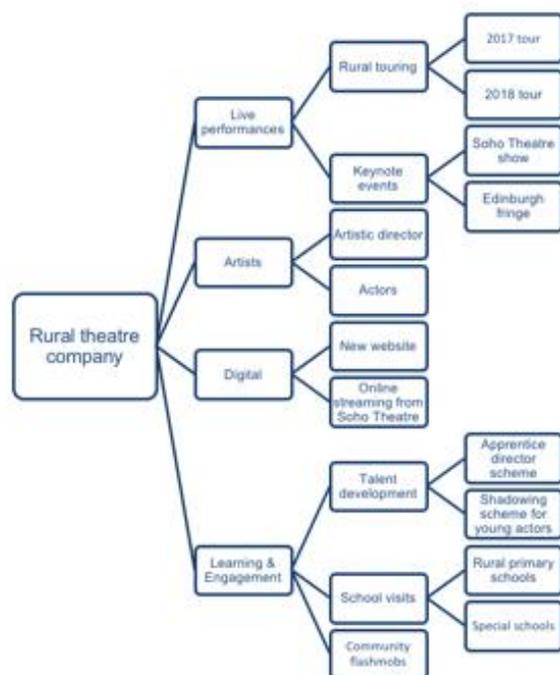
Watermill’s revised approach worked really well and the organisation achieved important goals, including securing 230 new memberships for their friends schemes. According to Watermill, the opportunities to gain a greater understanding of how the theatre makes a difference and to get closer to the organisation were very well received by new prospects and donors.

### The City of Birmingham Symphony Orchestra

The City of Birmingham Symphony Orchestra (CBSO) is a world-class orchestra performing for over 200,000 concertgoers every year, delivering educational and community work for 75,000 attendees, and reaching a global audience through its tours, broadcasts and recordings.

CBSO has long understood the importance of exploiting its fundraising assets and has identified a very systematic way of identifying them. The adjacent figure shows the approach used by CBSO to map its assets, which the organisation groups in three categories: the artistic programme, the social programme and the building. Mapping fundraising assets in this systematic way helps the organisation to develop a more sophisticated fundraising strategy and to plan their fundraising efforts.

**Figure 26: A hypothetical map of fundraising assets for a rural theatre company**



Source: CBSO (2016)

### 6.2.10 Identifying opportunities for internal and external collaboration

#### B-Arts

B-Arts is a combined arts organisation based in Stoke-on-Trent. Dedicated to increasing cultural access and engagement in the area, B-Arts views private support as an important component of the organisation’s future sustainability.

However, private fundraising in Stoke-on-Trent poses particular challenges. In the words of B-Arts’ chief executive Trevelyan Wright:

“Stoke-on-Trent is not what you would call a fundraising friendly environment, especially in the arts. There are very few large private sector companies, the arts infrastructure is much weaker, per capita investment in the arts is low. Philanthropic giving is mainly focused on a few, prominent local medical charities.

The Catalyst award helped B-Arts identify what could appeal to donors. After receiving the Tier 3 Catalyst award, B-Arts and its fellow consortium organisations realised that income diversification in such a challenging landscape could be achieved more easily by joining forces and formulating a common case for support. Trevelyan reported, “We think that working together we can start to create the kind of stories and evidence the kind of impacts that are attractive for the private sector. We could achieve scale and then attract large companies such as Michelin and Vodafone. They would not be interested in us individually.”

The Catalyst award enabled the organisations to come together and realise their vision. Through a series of meetings facilitated by an external consultant, they developed the concept of ArtCity, a web platform that promotes a joint offer for cultural activities in Stoke on Trent.

The case for ArtCity eventually secured a three-year gift by the Esmeé Fairbairn Foundation and the organisation are now joining forces to bring their case to more private donors.

#### Birmingham Hippodrome

The Birmingham Hippodrome, a touring theatre venue based in Birmingham, had good fundraising skills and expertise but struggled to meet its fundraising targets, and it was often found that fundraising activities were not cost positive.

To help address this, the organisation worked to increase cross-departmental fundraising efforts. All box office staff received training, delivered by the fundraising team and external consultants. The training was both

technical and strategic. Members of staff were trained to use the new systems but the fundraising team also took the time to explain why fundraising was important and how to best approach donors. The fundraising team eventually also developed a reward scheme for members of staff: the staff member bringing in the highest donation would receive a prize.

The organisation's attempt to grow its lower level donor base was a success. Throughout its Catalyst journey, the organisation has reported a year-on-year increase in lower level donations, starting from £13,000 in the first year to eventually attracting £60,000 in the final, third year.

The emphasis on training members of staff at the box office was found to be worthwhile. According to Rachael, donations made through the website averaged £2.10 while donations through the box office systems averaged a higher £2.70.

### 6.2.11 Designing an innovative fundraising strategy

#### The English National Opera

The English National Opera (ENO) is a world leading opera company based in London. The organisation benefits from an established donors base, but at the time when ENO was awarded a grant for a Catalyst Tier 1 endowment programme, fundraising income at ENO had already increased by 30-40 per cent over the previous two to three years, so pushing for another significant increase was seen as challenging. How could the organisation extend its donor base and reach new prospects?

To meet its target and secure match funding, ENO decided to formulate a new style of "ask" around their fundraising campaign for Catalyst, distinguishing it from existing revenue fundraising programmes. ENO designed a new campaign called CREATE, which was communicated as an investment opportunity rather than a traditional philanthropic donation. This innovative design was informed by the Board and the development team's awareness of the growing interest in forms of strategic philanthropy amongst donors.

ENO then approached new and existing donors to "invest" in this fund. The organisation ensured this was consistently communicated as a new approach to

fundraising, using the language and mechanisms of business and investment rather than fundraising. Despite the fact that the return on any investment came to ENO rather than the individual investor, it was perceived as an entrepreneurial and commercial approach that appealed to trusts and individuals who wanted to support a new cultural business model.

The scheme was a success. Although some prospects didn't entirely understand the investment concept, CREATE helped ENO approach new categories of donors, and open up conversations with funders who would not traditionally have been interested in supporting ENO.

## 6.3 Long Year 3 case studies

### 6.3.1 Ministry of Stories

#### How did Catalyst help Ministry of Stories?

Set up in 2010 by Ben Payne, Lucy Macnab and acclaimed writer Nick Hornby, the Ministry of Stories (MoS) is a creative writing and mentoring centre for young people based in Hackney, East London. Inspired by the network of 826 centres in the US, its mission is to champion the writer in every child. MoS lurks behind the mysterious shopfront of Hoxton Street Monster Supplies, the only shop to cater to the everyday needs of every imaginable kind of monster.

MoS supports and inspires young people aged eight to 18 in disadvantaged areas of East London to write. They believe that the best way for children to acquire skills and realise their potential is through the joyful discovery of stories and the development of their imaginations.

This adoption of the successful US initiative attracted a lot of attention and the organisation grew rapidly as a result. Fundraising, supported by Catalyst, played an important role in supporting this rapid expansion. After successfully securing the Tier 2 Capacity Building and Match Funding award, the directors invested time and resources into developing a really distinctive case for support, rooted in the uniqueness of the organisation's mission and vision (see [Ministry of Stories](#) short case study in Section 6.2). This helped MoS secure funding from a diverse range of high-profile donors including Colin Firth, Emma Thompson, Google, Pearson and Penguin Random House, to name a few.

Having built an active base of between 300-400 volunteers a year, and designed plans to scale up nationally, MoS planned to continue to grow their private income beyond the end of the programme, and philanthropic revenues were made an important part of their business model forecast, aiming to rely on not more than 25 per cent of its income from public subsidy.

#### How has the work that Ministry of Stories undertook through Catalyst had an impact on the end of the grant?

In line with their strategy, MoS kept dedicating time and resources to fundraising after the end of Catalyst. Many of the fundraising activities undertaken through Catalyst were maintained and further developed. For example, MoS now hosts an annual fundraising event that celebrates its anniversary. The organisation also organises ad-hoc fundraising initiatives and events in partnership with its supporters – such as the series of dedicated fundraising events organised through its three year corporate partnership with Penguin Random House, featuring participation from MoS ambassadors who include the writers Sophie Kinsella, Charlie Higson and Laura Dockrill.

The organisation also maintained its fundraising capacity, sustaining the dedicated fundraising post set up during Catalyst. According to MoS, Director, Ben Payne, this post is now integral to their organisation and pivotal to ensure fundraising activity carries on, while affording the directors time to think more strategically about fundraising. This has resulted in a more systematic approach to fundraising and an improvement in their cost-benefit. Ben Payne said:

“ We managed to systematise what we were doing with fundraising much better. The new fundraising post has been key. A lot of my time is still spent on fundraising – it's not a one-person job. But it has meant we were able to think and act more entrepreneurially.

These sustained efforts have ensured that the organisation still benefits from a pool of individual donors, and private revenues are still an important part of the organisation's business model. Corporate donations have continued to grow as a result and MoS has started to benefit from some payroll giving schemes, which are still rare in the cultural sector.

Nevertheless, the organisation has also faced significant challenges, which have meant that private income levels have not grown as rapidly as planned. These challenges mainly relate to the need to revise its mix of private revenues. MoS is finding it increasingly difficult to secure income from trusts and foundations, a key focus of MoS's fundraising strategy. Whereas corporate

fundraising has had success, individual giving has grown less quickly. MoS has already set up an individual giving scheme, which is now starting to yield good results, but, overall, raising individual giving is proving particularly challenging due to the non-ticketing nature of the organisation and the need to create events to fill this gap. This is posing a bigger question about the most sustainable business model for the future. As a result, the directors now feel there might be an important issue of sustainability. Director Ben Payne said:

“ We feel that we have made considerable strides in being able to raise private income in ways which are not usual in the literature sector and still not that common amongst arts organisations in general. As a result we have some real opportunities to grow sustainably over the next few years. What we didn't expect was a further squeeze of foundation funding which has only added to the one on public subsidy. As a result, we are having to look at changing our business model even more radically to be able to survive and flourish.

### **What key lessons can be drawn?**

Through the knowledge, skills and ambition that MoS developed with the help of their Catalyst award, MoS built a solid and sophisticated fundraising infrastructure and strategy, which helped establish a diverse and high-profile donor pool that still supports the organisation.

However, MoS's story also showcases an important issue of sustainability that other Tier 2 organisations have been facing. In particular, although many Catalyst grantees were able to attract trust and foundation funding with the support of Catalyst, they are now finding that this is not a stable source of revenue: trusts and foundations are heavily oversubscribed and so very rarely provide repeat funding to organisations. As a result, Catalyst beneficiaries are having to target individual giving more regularly, which many are finding more difficult than trusts and foundations, particularly those organisations which, like MoS do not have shows or sell tickets. With external circumstances not likely to get any more favourable, it is clear that even greater knowledge around good

practices and successful competences and skills are needed to navigate across this challenging landscape.

## 6.3.2 New Writing North

### How did Catalyst help New Writing North?

New Writing North (NWN) is a writing development agency based in the North East of England. They secured a Tier 2 Capacity Building and Match Funding Catalyst award in 2014. Over the course of their award, the organisation overcame challenges related to an initial lack of capacity and developed in-house fundraising expertise and know-how. In turn, this enabled them to achieve important fundraising goals, attract new donors and secure funding from businesses, trusts and foundations, and individuals.

This success was attained through a series of dedicated investments in training, fundraising tools and in marketing and communication materials. NWN also identified its fundraising assets to design a compelling case for support, focusing on inclusive and community focused initiatives such as the Northern Writers' Awards and the Cuckoo Young Writers programme.

When approaching the end of their Catalyst award, Clare Malcom, Chief Executive, questioned its sustainability: "We know what to do now. But how can the organisation continue to maintain and grow its private income following the end of Catalyst?" NWN was determined to carry on fundraising from the private sector, but was conscious of stretched capacity and resources and of the potential impact of the end of match funding.

### How has the work that New Writing North undertook through Catalyst had an impact on the end of the grant?

So what did NWN do and how has Catalyst helped them to develop? To keep fundraising going, NWN undertook a series of structural changes aimed at supporting fundraising activity.

NWN's post-Catalyst journey began with the development of its capacity and with the taking on of a "fundraising fellow" from Cause 4 to continue the development of staffing capacity in this area. Through Catalyst they had trained many staff within the organisation in fundraising and this has continued to pay off in terms of creating a distributed leadership for fundraising across the

organisation. It also allows staff who are specialists in areas of work to lead fundraising in that area, giving an authentic voice to our efforts.

The organisation has also undertaken a period of restructuring, organisational and board development which has seen a review of where fundraising sits in senior jobs and identified capacity gaps which are now being addressed.

NWN also appointed a new chair who, distinct from his predecessors, is based in London and not in the North East. This is reflective of the organisation's growing ambitions to reach, and prospects and potential partners outside the North East. Reflecting on this governance re-fit, Claire, who helped establish the organisation herself and has now been in post for 20 years, commented:

“ It has been quite an interesting journey as an organisation and we are only at this stage because other things have developed as a result of Catalyst and have managed to secure several partnerships which made us develop... We felt that our profile was rising but we soon realised that our internal capacity and our external resources were not up to the same quality as our creative work, so we really wanted to focus internally and to think through how to make improvements.

In the meantime, NWN continued building on the fundraising strategy deployed during Catalyst, and acted strategically to first maintain its fundraising activity, and to then eventually scale it up. To do this, Claire and the team drew on the knowledge and expertise gained during the programme to improve the cost effectiveness of fundraising, setting clear goals and simplifying activity. For example, they refined the focus of their individual giving, creating targeted campaigns and tailored messaging for smaller groups of donors. Claire said:

“ Rather than looking at our entire mailing list, we now create specific campaigns targeted at smaller groups of people who we think might

be passionate about a certain area of work. We now have a view on who to reach and how to segment prospects appropriately.

NWN has also continued to reach out to the commercial publishing sector. According to Claire, she and the rest of the team and board are now able to identify and approach new partners in a systematic and organised fashion. This is supported by the confidence and the know-how developed during Catalyst: the programme really helped the organisation develop an awareness of what they can offer and how to best communicate it.

“ It has left us with the confidence to make bigger asks, and to suggest more ambitious partnerships with longer timeframes. We know our worth, we know what we can do really well, and we know how to communicate it.

As a result of these key structural changes and learning, NWN is still fundraising successfully. Donor retention has not dropped; on the contrary the organisation has successfully carried on cultivating its relationships with partners and attracting new donors. According to Claire, the end of match funding did not really affect their fundraising efforts as it was the confidence and the “can-do” approach developed through Catalyst which really made the difference when building plans and approaching donors.

This can-do, entrepreneurial approach supported by Catalyst also inspired the development of a wider set of dedicated income-generating activities, which have already boosted NWN’s earned income. For example, in 2013 the organisation launched Mayfly Press, its own commercial publishing house which in 2016 was established as a stand alone LLP trading interest. Mayfly has already generated considerable profits, all of which are reinvested into the business and charitable work.

“ Catalyst helped us think and act differently and to take a few risks. We used some of the money raised through Catalyst to launch our own publishing house in partnership with a commercial partner who

co-invested. Though it only accounted for a small investment from us it is now generating considerable revenues. Beyond the funds, Catalyst gave us the confidence we could do it – or at least try to – and impressed on us the idea that it was time to try new things and to work in new ways.

#### **What key lessons can be drawn?**

NWN showcases how Catalyst has left a really powerful legacy to some of its grantees. Although the scheme has now finished, the key set of competences and skills acquired by NWN through the programme abide, from strengthening governance and designing new roles to building greater confidence in asking and negotiating, and continuing to develop awareness and the ability to communicate how the organisation makes a difference. Last but not least, NWN continuously strives to improve how their fundraising activities are managed.

NWN was clearly able to exploit their Catalyst legacy through undertaking a highly entrepreneurial approach that has entailed working holistically across the organisation and engaging in both inward oriented activities like governance and organisational change as well as on external communications.

### 6.3.3 Create Gloucestershire

#### How did Catalyst help Create Gloucestershire?

Create Gloucestershire is a membership organisation that brings together a range of cultural partners to support the development of a cohesive local approach to arts and culture. The consortium partners are Air in G, Artspace Cinderford, Art Shape, GDance, New Brewery Arts, Prema and Stroud Valley Arts. Create Gloucestershire led the successful application for the Catalyst Tier 3 award, Building Fundraising Capacity.

Catalyst helped organisations in the Create Gloucestershire consortium focus on fundraising and realise their ambitions to grow individual giving. To do this, partners undertook a large set of initiatives and activities, including launching campaigns and events, setting up patrons' schemes and engaging trustees and prospect research. For some of the organisations in the consortium, results were dramatic. One of the directors admitted they moved from "rather sell a kidney than ask" to leading a successful capital campaign. Catalyst also helped set up learning events in which organisations shared good practices and lessons learned.

All of these activities were supported by a dedicated and experienced fundraising consultant who played a key role in bringing partners together, supporting their individual development, coordinating joint initiatives, and facilitating the exchange of knowledge and expertise.

However, by the end of the grant period Create Gloucestershire was also wary of how these joint and individual activities and successes could be sustained without the expertise and the coordinating efforts of a dedicated consultant and the extra capacity afforded by the award.

#### How has the work that Create Gloucestershire undertook through Catalyst had an impact on the end of the grant?

According to Pippa Jones, Director of Create Gloucestershire, collaboration amongst peers is still high, and the Create Gloucestershire partners were able to take activity forward both jointly and individually. As stressed by Pippa, consortium working existed before Catalyst and this has helped facilitate

sustained collaboration amongst organisations in the consortium. Nevertheless, the infrastructure set up during Catalyst, the know-how and expertise, and the improved perception of fundraising have all been pivotal in carrying activity forward.

For example, Catalyst enabled Create Gloucestershire to set up a county-wide network of influencers, funders and individuals interested in supporting arts and culture in Gloucestershire.

This has reinforced linkages between new and existing prospects, and arts organisations in the consortium. The development of the network was supported by a thorough prospect research of the local area, undertaken during Catalyst.

The knowledge and expertise gained enabled Create Gloucestershire to make the most out of this new network. Create Gloucestershire continues to engage existing and new prospects and connects them to its partners, matching philanthropic interests with relevant, dedicated projects, for example, finding a new Board member for an arts and health charity.

Reflecting on the future sustainability of Create Gloucestershire's dedicated fundraising infrastructure, Pippa commented:

“ Catalyst enabled us to take time and focus on new models to grow private fundraising that were suitable for a largely rural county. The kind of shared resources and infrastructure we have developed only require light touch administration – we don't need many resources to keep them going. For example, with our new network of influencers, now we have done that [prospect] research, we know how to carry on.

In addition to developing this shared infrastructure, the programme has also generated a long-lasting momentum around fundraising, supported by an improved perception and increased culture of what can be achieved and how. The dedicated Create Gloucestershire learning events, which are still ongoing, have been really pivotal to generating interest and to enabling this cultural change. Four of the organisations in the consortium have now secured a

Catalyst: Evolve award, and have become real peer mentors to other art organisations in the county, organising a range of knowledge dissemination activities. Pippa Jones commented:

“ Another thing that it [Catalyst] did – it really generated momentum for fundraising. I think that there is a changed perception around fundraising...I feel like it is no longer seen as something separate but very integral to what the organisation does. The fact that organisations in the county were able to listen to the organisations with a similar profile – small organisations based locally, and previously very reluctant to fundraise – really made a difference. It was clear that if these organisations had done it, they could do it too. People could no longer say, we don't have time to do it, we can't do it, it's not going to work. And I think there is a growing interest in it [fundraising] as a result.

#### **What key lessons can be drawn?**

The Catalyst scheme helped the development of a shared infrastructure which continues to support coordinated fundraising efforts amongst the partners in the consortium and beyond. Collaboration and the development of shared resources might not need to necessarily take up significant capacity if coordinated effectively but the right attitudes, knowledge and expertise around fundraising are key to exploiting and making most of out of them. The experience of Create Gloucestershire also illustrates how peer-to-peer learning events can be a powerful catalyst for cultural change, particularly when organisations of a similar profile take part.

### 6.3.4 Artspace Cinderford

#### How did Catalyst help Artspace Cinderford?

The positive experience of the Create Gloucestershire consortium is matched by one of its individual organisations, Artspace Cinderford., set up in 1998 in response to the lack of artistic provision for people with disabilities in the local area. Since then, the organisation has kept growing and has always been relatively successful in diversifying its income beyond public funding, generating earned income and successfully securing funding from a range of local and national trusts and foundations.

Catalyst helped Artspace Cinderford to develop an adequate infrastructure, kick-starting a range of important cultural and structural changes aimed at growing private income, particularly individual giving. These included better communicating the organisation's charitable status and ethos, and supporting existing and new prospects donating to the organisation through the development of an online platform.

Catalyst also helped the organisation experiment with a range of fundraising activities, including community fundraising events which varied from sponsored bicycle rides to arts exhibitions. The Create Gloucestershire consultant also delivered board and senior management training. These activities helped to grow a more established culture of fundraising within the organisation and this resulted in increased engagement in fundraising, with members of the Board taking the initiative to organise fundraising events.

Determined to take fundraising forward with big plans to deliver a capital campaign and move into a new building, Artspace Cinderford were appointed a Catalyst: Evolve award. But how has the legacy of the Catalyst award supported the organisation between the rounds of the scheme?

#### How has the work that Artspace Cinderford undertook through Catalyst had an impact on the end of the grant?

Both during Catalyst and after the end of the programme, Artspace Cinderford took time to reflect on its progress and how to sustain fundraising going forward. This strategic thinking was enabled and supported by dedicated peer-to-peer learning events organised by the Create Gloucestershire consortium. According

to Hannah Elton-Wall, General Manager:

“ It was a useful process of reflection and we also felt we were really able to cascade the learning.

This reflection helped the organisation to think more strategically about its set of fundraising activities and to improve their cost effectiveness, by simplifying them and sticking to what was essential. This is exemplified by the way they manage their community events. Hannah said:

“ When planning an event [following the end of Catalyst] we began to ask ourselves – do we need this? We realised we could have done without many things. We became more resourceful and kept activity much more simple.

As a result of this entrepreneurial and resourceful approach, everything initiated through Catalyst, whether structural changes or digital platforms and events, were maintained beyond the end of the scheme.

“ What we set up during Catalyst is still in place. In terms of sustainability, it has been a success.

#### What conclusions can be drawn?

Artspace Cinderford's case study provides another example of how attitudes and behaviours are as important as resources and capacity when attempting to grow fundraising. The Catalyst scheme helped the organisation to undertake several fundraising activities and to start building a fundraising expertise, adequate governance systems, and supporting infrastructure. But the highly resourceful approach, based on reflection and learning, was equally key to sustaining activity following the end of the programme.

### 6.3.5 DanceXchange

#### How did Catalyst help DanceXchange?

DanceXchange is an organisation based in Birmingham dedicated to making and showing great dance. The organisation engages artists and local communities through dance, helping to make Birmingham a place in which dance artists can flourish. Before Catalyst, DanceXchange did not have very much fundraising expertise or capacity. The organisation, which was established in 1993, had attracted funding from a number of private trusts and foundations but it had not attempted to fundraise from businesses or individuals. No-one beyond the executive director was in charge of fundraising.

Catalyst was seen as a good opportunity to develop expertise and tap into local wealth. After winning the award, the organisation designed and recruited for a new post and began to fundraise more proactively from private sources. The organisation was successful in securing more funds from established trusts and foundations, with particular success from the Esmée Fairbairn Foundation and Jerwood Charitable Foundation. However, the need to undertake a process of organisational restructuring ultimately delayed progress towards fundraising activities and targets, including plans to attract funding from individuals and businesses.

During this process, DanceXchange clarified and re-articulated its mission and vision and developed a new business plan. Thanks to these changes, DanceXchange felt their organisational mission and set-up was strengthened, and was determined to bring its fundraising plans forward.

#### How has the work that DanceXchange undertook through Catalyst had an impact since the end of the grant?

In line with their ambitions, DanceXchange has been able to maintain the extra fundraising capacity that was supported by Catalyst and they have consequently continued their efforts to grow private fundraising.

As part of their organisational restructure, the fundraising post was built into the core team as a three-day-a-week position. But according to DanceXchange, attracting and retaining this capacity was not easy. Recruitment proved

challenging as many organisations were recruiting for similar positions at the same time and a part time role was considered less attractive. During the Catalyst period, two development managers moved on making the current development manager the third in position in as many years, and meaning that external relationships had to be built afresh each time. This showed the importance of making sure such relationships are built with more than one person in the organisation. Most recently, the organisation recruited a professional from the third sector with a non-arts background, and this was considered positive. DanceXchange feels that the organisation can benefit from and was interested in her views about how it promotes itself as a charity. Clare Lewis, Executive Director, said:

“ It was not immediate to everyone we are a charity. She [the new fundraising professional] got us thinking about how we articulate and promote what we do.

As well as securing funding from new trusts, the organisation secured some sponsorship from one of the city's business improvement districts, substantial in-kind support from a local hotel partner and in-kind support from many small local businesses. They are currently working closely with a potential new sponsor to refine a package and they feel, if this comes to fruition, it will be a real step forward and will yield lots of learning for the team.

Nevertheless, the organisation feels that it is yet to crack private fundraising. Clare Lewis said:

“ While we are trying to shift our approach, it is still not as embedded as it needs to be at all levels of the organisation. I'm not sure we have cracked it yet.

According to DanceXchange this might be due to several reasons. First, some private revenue streams are proving slower to grow. For example, both the executive director and the development manager approached several businesses and business improvement districts based in the city, but most of

these conversations have yet to transform into tangible results. It takes time to build these relationships as the organisation has not previously been well known within this sector. International Dance Festival Birmingham is seen as the most attractive proposition for businesses and sponsors, but as it is a biennial event, it is taking time to build momentum and visibility. Fundraising from local trusts and foundations is also proving slow, and the ratio of successful applications against all applications has been low. International Dance Festival Birmingham has found limited traction with trusts due to the temporary nature of its programme – but the organisation has learnt from this and moving forward is developing an approach that it hopes will be more attractive to trusts and foundations.

Last but not least, DanceXchange is facing significant challenges when attempting to fundraise from individuals: because they do not run their own box office they are not able to access their audience data. As Clare put it:

“ One of our biggest challenges is that we don't have access to data. Because we don't have our own box office, we cannot get the audience data for our theatre shows and are therefore not able to understand and communicate directly with our audiences – our potential donors – in ways other organisations can. Data is an important component when fundraising from individuals, so we remain on the back foot with this one.

Another element which is a challenge for the organisation is the low engagement in fundraising from the Board of Trustees. Although the Board wants to help in this area, none of them have any fundraising experience. The organisation has therefore relatively recently recruited a new Board member, who may be able to provide access to networks that could help DanceXchange develop higher level individual giving. But whether this will ultimately be possible remains to be seen.

### What conclusions can be drawn?

The story of DanceXchange showcases some of the most frequent challenges faced by arts organisations attempting to fundraise. Fundraising takes time and resources and sometimes it is hard to generate dramatic results in the short term. The fact that private fundraising is still very much a new process to many arts organisations in the UK also means that developing adequate skills and expertise takes time. This evaluation has also shown how DanceXchange is not alone in facing the challenges posed by the inability to access audience data.

According to Clare, better access to training at all levels would be helpful in supporting organisations like DanceXchange to overcome these challenges. As Clare reported:

“ Access to training at all levels, including Board level, as that leap into building relationships within a sector that doesn't know us is a challenging one. Maybe access to a mentor would have strengthened our approach.

Nevertheless, while the legacy of Catalyst is not as tangible as for other organisations, DanceXchange have made some progress towards fundraising success: seeking to promote the organisation as a charity, growing a culture of fundraising within the organisation, engaging its Board of Trustees, and cultivating the relationship with private donors.

Arts Council England

The Hive

49 Lever Street

Manchester M1 1FN

Email: [enquiries@artscouncil.org.uk](mailto:enquiries@artscouncil.org.uk)

Phone: 0845 300 6200

Textphone: 020 7973 6564

[artscouncil.org.uk](http://artscouncil.org.uk)

[@ace\\_national](#)

[Facebook.com/artscouncilofengland](https://www.facebook.com/artscouncilofengland)

Charity registration no 1036733

You can get this publication in Braille, in large print, on audio CD and in electronic formats. Please contact us if you need any of these formats.

To download this publication, or for the full list of Arts Council England publications, see [artscouncil.org.uk](http://artscouncil.org.uk)

ISBN: 978-0-7287-1571-4

© Arts Council England, January 2017

Written, edited and produced by BOP Consulting. Commissioned by Arts Council England.

We are committed to being open and accessible. We welcome all comments on our work. Please send these to: National Director, Advocacy & Communications, at Arts Council England, at the address above.