



## Impacts of the Recession on the UK Cultural Sector

Findings from the  
4<sup>th</sup> Arts Quarter Survey

November 2011

A Culture 2020 Project

## Contents

	<u>Page</u>
Introduction & Methodology	3
Executive Summary	4
Private Sector Revenues	4
Earned Incomes	5
Sector Recovery from this Second Recessionary Wave	6
Wider Impacts of the Recession on Arts Organizations	7
Catalyst Arts	7
Impacts of the 2012 Games on the Cultural Sector	8
Conclusions	9
Culture 2020	10
Findings 1: Wider Cultural Sector	11
Findings 2: London vs Rest of the UK	16
Findings 3: Theatre vs Other Cultural Communities	22
Findings 4: Earned Income Findings	31
Sector Revenue Innovations	35
Possible Impacts on Organizations	39
Financial Recovery from Losses in Private Sector Funding	42
Update on Views on the Philanthropy in the Arts Agenda/ Catalyst Arts	44
Update on Impacts of the 2012 Olympics & Cultural Olympiad	51
Survey Respondent Profile	58
Author: John Nicholls	60
Arts Quarter LLP	61
Contact Details	64

## Introduction & Methodology

This is the fourth Survey that Arts Quarter has undertaken to explore with arts organisations the impacts that the global recession has had on the sector in the UK. Our first survey took place over January/February 2009, our second over August/September 2009 and the third over the same period in 2010. We return again to this issue in light of cuts in levels of public support for the arts as a direct impact of the desire to manage down wider levels of public debt, the Coalition's agenda to promote arts philanthropy and the possibility of ongoing lack of confidence in economic growth - so as to assess again the affects of the current economic climate on the arts and to test out the extent to which the sector may be responding to the arts philanthropy proposals as advocated since December 2010.

This AQ Online Survey was launched on 11<sup>th</sup> August 2011 and remained available for completion until 19<sup>th</sup> September – almost a year to the day since our last such Survey on this issue. The Survey was launched initially via email to AQ's own email list of 2,656 senior individuals working within the UK cultural sector and to our followers on Twitter and Linked-In. Once again, we are grateful for the support of *Arts Professional* in publicizing the Survey to its readership in addition to that given by a number of other regional and national bodies who supported our distribution efforts.

In all, some 602 completed responses were received as well as 83 partial responses.

For the purposes of reporting the findings of this Survey with a more proficient degree of clarity, we are restricting our reporting to just one per respondent organization, selecting the most senior individual identified within any one cultural organization based on information provided.

This paring down of responses has left us with a sample of 452 individual cultural organization responses, the findings of which we are reporting here. This sample represents an increase in respondents of 3% when compared to cultural respondent numbers for our third Recession Impacts Survey. Furthermore, when looking at individual organizations that participated, close to 85% of those who had participated in our third Survey and 69% of those who participated in our second such Survey, found time to participate again.

As always, we are exceptionally grateful to those organizations who took time to take part whether being returning participants or first-time respondents. We recognize that many of the questions posed offered particular challenges in terms of the level of detail requested but we much value the commitment shown by those taking part in assisting us to build up such a comprehensive set of findings. We offer special thanks to those respondents who shared further insights on fundraising developments as well as views on the Catalyst Arts initiatives via detailed narrative responses – all of which are listed in the relevant sections of this report.

For the purposes of reporting:

- 'Survey 1' refers to our online survey and its findings conducted in January and February 2009 – reported in March '09,
- 'Survey 2' refers to our online survey and its findings conducted in August and September 2009 – reported in November '09.
- 'Survey 3' refers to our online survey and its findings conducted in August and September 2010 – reported in October '10.
- 'Survey 4' refers to our online survey and its findings conducted in August and September 2011 and reported in November '11.

## Executive Summary

Our fourth set of findings on the impacts of the global recession through the UK cultural sector do much to validate the principal hypothesis that we put forward in earlier iterations of this research project – that there can be no doubt that the sector is broadly in the throes of a second recessionary wave brought about by public sector cuts and continuing disappointing levels of private sector fundraising growth<sup>1</sup>. Having seen a degree of decline in skepticism about there being any positive impacts to the sector from the 2012 Olympics and Cultural Olympiad last year, levels of doubt over the extent to which the sector might benefit from the sporting and cultural events of 2012 and indeed beyond, have grown further. This leaves a very clear sense that the UK arts community continues to see little benefit to be gained from the Games which might to some degree have been hoped to assist in pulling the sector out of this current period of significant decline.

Given our work earlier this year around the Coalition Government's Philanthropy in the Arts Agenda<sup>2</sup>, we've returned again to a number of key issues in order to gauge possible shifts in views based on information published around the time of our Survey, albeit that our research closed some two weeks prior to some of the remaining announcements being made by ACE and HLF at the end of September. Optimism evident in our findings published in March that the programmes may act indeed as a catalyst to higher levels of philanthropy has now been overcome by a clear sense of realism which will be all the more borne out as organizations start the Catalyst Arts application process from November onwards. In their narrative responses, organisations provide a clear sense that the programmes proposed may be failing to resonate with the needs of certain communities within the arts.

Irrespective of private sector fundraising and earned revenue data shared showing only gradual improvement in income levels - projections, ideas and general comments shared by our respondents as shared in detail in this report, provide clear evidence of a high level of resilience across all art-forms, scales and regions to survive and once again thrive. The reality however is that most respondents do not see themselves being on a financial par to 2009/10 again until 2015 at the earliest thanks to slow growth in private sector funding and the impacts of public sector cuts.

### Private Sector Fundraising Revenues

On this occasion, some 91% of respondents to this Survey stated that they undertake private sector fundraising in some form. Looking across the sector as a whole and comparing positions this financial year both to last year and 2009, revenues in most fundraising areas continue to show modest improvement year-on-year across growing numbers of respondents. Numbers of respondent organizations continuing to report falling revenues have also continued to decline but not significantly with the exception of grants received from Trusts which this year are showing declines among larger numbers of respondents, possibly as a result of higher levels of competition for funds and continuing instability in the value of asset portfolios owing to ongoing stock market fluctuations. This view has been backed up in some of the narrative responses shared by respondents. A high proportion of respondents continue to report stand-still (zero-growth) positions across all major areas of fundraising activity.

Looking at London responses compared to those from participants based outside of London, the same trend is broadly evident again across all areas of fundraising activity – improving rates of increase in revenues and declining rates of shortfalls – albeit modest in both respects – again with the exception of grants from Trusts. However a new trend has started to emerge this year compared to earlier reporting in that in respect of sponsorships, and funding from Trusts (core and project-based), numbers of organisations reporting growth are greater among those organisations located elsewhere in the UK compared to those in London. This could in part be attributed to initial fundraising capacity building taking place most notably outside of London and those organisations starting to see returns.

Comparing art forms, we begin to see a higher degree of disparity in fundraising performance. In sponsorships, more non-theatre organizations have reported improvements in revenues than before compared to theatre respondents for the first time. A similar trend has now opened up in the acquisition of project-based and core funding grants from Trusts with greater numbers of non-theatre respondents reporting growth. Where growth has excelled for theatre respondents consistently since we began this research project has been in the area of individual giving where year-on-year greater numbers of organizations have reported growth and fewer have reported declines in revenues.

In any other form of economic recovery, we might have anticipated significantly greater numbers of organizations reporting improved fundraising revenues but as is common knowledge, wider economic growth remains exceptionally low and so improved levels of growth among arts organisations' fundraising revenues will inevitably remain slow. What our findings show this year for perhaps the first time in any meaningful degree is the impact of increased levels of fundraising capacity notably outside of the capital but reporting at this point has led us to reflect on whether this is proving to be to the detriment of others in the sector – with a greater number of asks being made to a community of supporters that remains largely static in scale. This increase in fundraising capacity outside of London is borne out further in predictions to current year-end where in a number of key areas more organizations outside the capital report higher projected returns than those in the capital. This trend for more being raised by more organizations outside of London is seen further when asked to predict returns for the next financial year where 48% of organizations outside of London feel that they will raise more next year compared to 35% in the capital.

In terms of roll-out of Catalyst Arts these findings could provide early evidence of 'bottle-necking' where fundraising capacity is considerably increased within the sector without a commensurate rate of growth in philanthropy to meet the private sector fundraising needs of the sector.

### 'Earned' Incomes

As before, we asked organizations to share with us performance data on a wide range of earned income sources in order to determine degrees of movement across all key revenue areas. This time around, a new trend is emerging. In our first three Surveys while we reported on declining levels of fundraising revenue, we were able to report on improving revenues from ticketing/ admissions and other visitor generated income sources. A new picture has started to emerge out of this year's findings perhaps based around poor levels of consumer confidence and declining disposable incomes in the short term. In other areas of earned revenues, growth remains healthy while others possibly affected more by cuts in public sector funding have gone into decline. That certainty that earned revenues might be called on to take up the slack from any decline in fundraising revenues can no longer be assumed.

Among theatre respondents, greater numbers have reported growth on ticket revenues while among other art forms there is a noticeable decline in numbers of respondents reporting growth. A similar pattern is seen in on-site catering receipts but in on-site and online merchandising the trend is reversed with visitors looking to engage more with non-theatre art form offerings than with theatres. In terms of commercial and private space hires, more non-theatre respondents are reporting growth this year than in earlier years and in greater numbers than theatre respondents – possible testament to a growing desire within the corporate sector to market and entertain to build their own commercial recovery.

Where levels of growth are leveling off is in the area of education and professional learning fees some of which may be supported via a range of statutory education bodies. Here, the rate of growth among theatres has leveled off more so than within the non-theatre communities – with public sector cuts taking affect over the coming financial years, it is possible that this one-time highly lucrative revenue line will need to be unpicked by arts organisations and new forms of revenue sought to sustain it effectively.

Again, we asked respondents to predict earned income performance levels for their next financial years. Overall, the levels of optimism we saw back in 2009 have returned even more so among our non-theatre respondents. Among theatres, in 2010, looking to 2011, 13% of respondents predicted that earned revenues would grow compared to 2010 results. Now, 35% of respondents feel that earned incomes for 2012 are likely to exceed 2011 levels, and 19% of respondents feel that earned incomes may be less next year compared to 2010. At this time last year, only 28% of respondents held that view. Among our non-theatre respondents 36% predict that they will generate more from earned revenues in their next financial year compared to just 20% last year while just 17% predict that they will earn less next year compared to 29% last year.

### Sector Recovery from this Second Recessionary Wave

In addition to repeating many of the questions we have sought to ask consistently over four waves of research, seeking to explore the detail of specific movements in private sector revenue streams, we were able to pose our most direct question to date in order to gather evidence of the shrinkage of the sector as a consequence of the imposition of public sector cuts on the arts.

When asked over what period of time respondents believe they would be able to recoup any losses in public support from other (private sector) sources of income, the findings were astounding. Only just over a third of respondents overall felt confident enough to predict that their organizations would be able to recoup in full any losses in public support by 2015 and around another third overall felt unsure when full recovery of levels of support from alternative sources might be possible. Among the smallest organizations in the sector – those with annual turnovers of lower than £250,000, confidence levels dropped significantly to just 22.5% with just under half feeling unable to predict when they might recover – being those most under-resourced to seek out alternative revenues. Clearly as organization's scales increased in line with resources available to respond effectively, confidence levels grew, rising to 31% among those with turnovers of £251k-£500k p.a., 52.9% among those with turnovers of £501k-£1m, 43.2% among respondents with annual turnovers of £1m-£5m, peaking at 56.2% among those with turnovers in excess of £5m p.a.

## Wider Impacts of the Recession on Arts Organisations

Taking into consideration only slow improvements in private sector support and the impacts of public sector cuts, we returned again to this issue of wider organizational impacts in order to plot any clear shifts in priorities among our respondents. Again, all respondents saw their most favoured course of action remaining, as we have seen in our earlier waves of questioning - to offset potential revenue losses by making (core) organizational savings which will not impact on public activities. Second most likely area to feel the impacts of public and/ or private sector revenues was in cutting public programming with deferring staff recruitment coming third. At this point last year, we noted the arrival in our top five responses of organizations contemplating staff redundancies as a viable fifth option.

In our findings this year, the possibility of making current staff redundant has risen in rankings to occupy fourth position providing clear evidence that many organizations having consistently sought to cut overheads and programming where they can, are rapidly reaching a point where options are running out other than to look at reducing staffing through redundancy. In fact in some of our narrative responses, clear evidence was provided of redundancies taking place or being actively considered.

## Catalyst Arts

With an announcement pending at the point of conducting our data gathering but some key elements of the Catalyst Arts fundraising capacity building programmes already in the public domain, we sought to gather key views from respondents based on details available at that time.

When asked whether they might be considering applying for funding under the Catalyst Arts programme, 46% of respondents based in London confirmed that they would consider submitting applications while 37% of those from other regions of England said that they were contemplating doing so. Within specific artforms, 51% of theatre respondents stated that they might be applying for funding under the programmes while some 37% of respondents from other art forms stated that they might apply. Based on organizational scale, only some 20% of those with turnovers of under £250k p.a. confirmed that they were contemplating making an application rising progressively in line with scale; 39% among those with annual turnovers of £251k-£500k; 47% among the £501k - £1m p.a. group; 51% among the £1m - £5m group, rising to 66% among those respondents with annual turnovers in excess of £5m.

Based on the earlier announcement made by DCMS, ACE and HLF to launch an endowment specific match funding programme in the summer, we asked our respondents to express views as to whether they felt this was an appropriate time to launch such an initiative - only just over a third of respondents overall felt that this was a good time to be incentivizing endowment appeals.

## Impacts of the 2012 Olympics on the Cultural Sector

We started our data gathering to gauge views of the UK arts community on the possible affects of the 2012 Games and Cultural Olympiad on the day on which the 2008 Beijing Games closed, publishing our first set of findings in November of that year<sup>3</sup>. In our Recession impacts data gathering we've continued to return to this issue in the context of perceived impacts on private sector revenue generation but with the Games and Cultural Olympiad now less than a year away we expanded our questioning further to look at views around the legacy of the Cultural Olympiad. Rather than views becoming more positive as we might have assumed, in general terms levels of cynicism about the possible positive affects of the Games continue to grow within the arts.

Among theatre community respondents, some 35% now feel that the Games may impact negatively on their fundraising capacities compared to 29% at this point last year but alongside this increase in pessimism towards the Games, this year some 45% felt unable to predict likely impacts on fundraising compared to just 34% in Summer 2010.

Those feeling that the Games might have a positive impact on fundraising this year compared to views expressed last year, has fallen again for three years in succession to just 3% this year compared to 10% feeling the Games could impact favourably on fundraising at this time last year.

Looking regionally - in 2011, just over 14% of all respondents based in London feel that the Games will have a positive impact on their fund-raising compared to 25% last year. Among respondents based outside of London, in 2011, views remain largely consistent with those shared last year with some 3.5% feeling that the Games will impact positively on their fund-raising compared to 3% last year alongside 72% now undecided on the issue this year compared to 66% in 2010.

On earned incomes, in 2010, 18% of London-based respondents felt that the Games would have a positive affect with 37% undecided. In this year's Survey, just 6% now feel the Games will have a positive impact on earned incomes, 12% are now undecided but nearly 17% now firmly believe the Games will have a negative affect on earned revenues next year compared to just 3.5% a year ago.

Views within art-forms have also continued to shift away from the Games. This year just 6% of theatre respondents (nationally) see the Games having a positive impact on earned revenues compared to 10% last year. Views have also shifted further within other sectors of the arts. This year just 5.7% of non-theatre respondents see the Games offering positive impacts on earned income compared to 8.7% of respondents seeing positive impacts at this time last year.

Looking beyond the Games and in particular at the legacy of the Cultural Olympiad, we sought for the first time to gather opinions on what the sector might see as likely levels of engagement by the public at large with the arts after 2012. Quite staggering majorities across all principal classifications of respondents believe that the impacts of the Cultural Olympiad will be negligible in enhancing public interest in the arts; 62% among London respondents, 72% among those based elsewhere in the UK, 77% among theatre respondents and 66% among other art form respondents.

Our findings on the 2012 Games and Olympics resonate with findings published by the European Tour Operators Association as reported on 6<sup>th</sup> November which cite that London could be set to suffer a 95% leisure tourism slump during the 2012 Games<sup>4</sup>.



## Conclusions

Our findings this year do much to back up theories expressed in our previous reporting notably around the UK arts community struggling through a second, sector specific Recession brought about by poor rates of recovery on private sector fundraising and the affects of cuts in public support. What is evident perhaps for the first time this year is the rate at which the sector now sees itself able to recover from this current micro recession with just over 30% of respondents believing that they will be able to have recovered purely the losses they have incurred through recent cuts in public sector support by 2015 – before looking at recovering any longer term losses suffered through falls in fundraised or earned income as a direct result of the 2008/9 Recession.

While we are encouraged to see some increasing rates of growth in fundraising revenues among our respondents, the possibility that these could be to the detriment of others in the sector as competition for funding escalates is a cause for concern at a time when the Coalition has committed itself to continue to actively incentivize higher levels of giving to the arts within the public at large. We are seeing perhaps for the first time, the failure of any attempts by Government to grow levels of philanthropy in the wider community at the same pace as organizations are scaling up their capacities to seek out support. The current position is merely causing greater number of arts organizations to compete for the same levels of funding which has to be to the detriment of the sector generally.

Earned incomes, once regarded as the saviour of organizations in fundraising difficulty can no longer be regarded as such to the extent that they once were,, as is seen in our findings where performance fluctuations are opening up which may require organizations to think more creatively around the sustaining and future modeling of some of these revenues if these trends to continue to develop as shown.

What is clear is that in terms of making further cost savings, organisations are now at a point where there is little more they can cut without fundamentally damaging the creative outputs they are there to develop and present. While we were concerned in our findings to see the possibility of staff redundancies move up the hierarchy of considerations, we could not be surprised in that we are aware of a number of organizations going through several waves of internal cuts – leaving them with few other options to consider.

At a time when the sector is facing considerable challenges but perhaps with some notable exceptions, it appears that the majority of the arts community is willing to turn its back on the 2012 Olympics and Cultural Olympiad as their value to the sector as a whole is being all the more questioned.

In seeking to find an appropriate way to end this summary of findings for this fourth Survey, we were drawn immediately to this quote by Robert Kennedy from a speech made in Cape Town in 1966 which seems to resonate with where the UK arts community finds itself at this time:

*There is a Chinese curse which says 'May he live in interesting times.' Like it or not we live in interesting times. They are times of danger and uncertainty; but they are also more open to the creative energy of men than any other time in history.*

While our findings do provide evidence of continuing challenging times ahead for the UK arts sector, we were once again struck by a deep seated desire to thrive as shown in the comments shared. That said – three very tough years still appear to lie ahead.

## Culture 2020

This project is conducted by Arts Quarter as part of Culture 2020 - a initiative of research programmes, advocacy and other activities that will aim to plot and promote the continuing transformation of the UK cultural community over the next ten years.

The period until the end of the next Parliament has the potential to be one of profound change for the arts as it seeks to embrace and encourage higher levels of philanthropy, shift levels of engagement with audiences and create a new level of dialogue with Government, policy makers, business and media.

Above all, this programme will strive to communicate the cultural and economic value of the sector to the ongoing development of the UK's knowledge-based economy and within that, the vital role that the arts play in the wider commercial creative industries.

## Findings 1: Cultural Sector as a Whole

To provide an overview of performance, we outline here our overall findings across the cultural community.

When asked to gauge fund-raising performance in their current financial year to date compared to the same point in their last completed financial year, respondents provided the following information:

Survey 1 Respondent Profile: 233, Survey 2 Respondent Profile: 274,  
Survey 3 Respondent Profile: 440, Survey 4 Respondent Profile: 452.

NB: 'We do not engage in this activity' & 'Don't Know' responses not reported  
% given are for organizations stating that they participate in each of the fundraising activities as shown

Here, we have selected the five most common areas of fund-raising activity across the sector

### Sponsorships from Companies

	Raised More		Raised Same	Raised Less		
	More than 25%	1 - 25% more		1 - 25% less	26 - 50% less	More than 50% less
Survey 1	9.8%	17.5%	17.5%	17.5%	35.0%	7.7%
Survey 2	2.5%	8.9%	30.7%	16.6%	37.1%	8.9%
Survey 3	7.8%	15.0%	25.9%	13.2%	26.4%	6.0%
Survey 4	7.1%	22.0%	19.8%	5.7%	24.4%	13.5%

### Philanthropic Gifts or Grants from Companies

	Raised More		Raised Same	Raised Less		
	More than 25%	1 - 25% more		1 - 25% less	26 - 50% less	More than 50% less
Survey 1	3.4%	16.2%	16.3%	11.5%	21.3%	1.7%
Survey 2	2.7%	9.4%	21.6%	17.5%	32.4%	10.8%
Survey 3	2.4%	7.9%	30.6%	9.2%	17.8%	3.7%
Survey 4	2.9%	10.0%	21.4%	7.2%	15.9%	2.8%

### Project-based Grants from Trusts

	Raised More		Raised Same	1 - 25% less	Raised Less	More than 50% less
	More than 25%	1 - 25% more			26 - 50% less	
Survey 1	12.4%	28.2% 15.8%	23.6%	14.1%	23.5% 4.7%	4.7%
Survey 2	5.1%	21.8% 16.6%	20.5%	16.6%	39.7% 12.8%	10.2%
Survey 3	8.9%	26.8% 17.9%	28.0%	13.7%	31.5% 8.9%	8.9%
Survey 4	14.1%	28.9% 14.8%	19.0%	16.9%	41.5% 14.1%	10.5%

### Core Funding from Trusts

	Raised More		Raised Same	1 - 25% less	Raised Less	More than 50% less
	More than 25%	1 - 25% more			26 - 50% less	
Survey 1	6.4%	12.8% 6.4%	26.1%	4.7%	14.5% 6.4%	3.4%
Survey 2	0.0%	5.2% 5.2%	37.6%	10.4%	20.7% 3.9%	6.5%
Survey 3	3.1%	14.9% 11.8%	35.6%	8.7%	19.3% 5.0%	5.6%
Survey 4	6.5%	13.8% 7.3%	17.5%	16.8%	33.5% 6.5%	10.2%

### Gifts from Individuals of less than £1,000

	Raised More		Raised Same	1 - 25% less	Raised Less	More than 50% less
	More than 25%	1 - 25% more			26 - 50% less	
Survey 1	3.4%	16.2% 12.8%	25.7%	9.8%	24.3% 8.1%	6.4%
Survey 2	2.7%	9.46% 6.7%	39.2%	12.1%	18.9% 4.0%	2.7%
Survey 3	1.8%	14.1% 12.3%	31.4%	12.9%	18.4% 4.3%	1.2%
Survey 4	5.0%	26.4% 21.4%	25.9%	5.0%	17.1% 5.7%	6.4%

We then asked respondents to forecast what they felt could be there financial year-end position, compared to their position for their last full financial year.

Survey 1 Respondent Profile: 233, Survey 2 Respondent Profile: 274,  
Survey 3 Respondent Profile: 440, Survey 4 Respondent Profile: 452.

NB: 'We do not engage in this activity' responses not reported  
% given are for organizations stating that they participate in each of the fundraising activities as shown

Here again we have selected the five most common areas of fund-raising activity across the sector as indicated by our respondents.

### Sponsorships from Companies

	Likely to have raised more	Likely to have raised the same	Likely to have raised less	Don't Know
Survey 1	17.1%	20.6%	32.6%	12.0%
Survey 2	13.2%	25.0%	39.4%	13.1%
Survey 3	20.2%	20.1%	22.7%	10.7%
Survey 4	25.9%	17.0%	20.7%	14.1%

### Philanthropic Gifts or Grants from Companies

	Likely to have raised more	Likely to have raised the same	Likely to have raised less	Don't Know
Survey 1	17.5%	12.0%	21.0%	18.0%
Survey 2	10.9%	22.0%	26.0%	19.1%
Survey 3	17.5%	20.1%	20.7%	9.7%
Survey 4	15.1%	18.9%	14.4%	14.8%

### Project-based Grants from Trusts

	Likely to have raised more	Likely to have raised the same	Likely to have raised less	Don't Know
Survey 1	23.1%	23.6%	24.0%	19.0%
Survey 2	21.0%	31.6%	27.6%	15.0%
Survey 3	32.5%	18.0%	31.2%	10.0%
Survey 4	28.9%	20.2%	34.7%	13.7%

### Core Funding from Trusts

	Likely to have raised more	Likely to have raised the same	Likely to have raised less	Don't Know
Survey 1	15.4%	27.8%	15.5%	18.0%
Survey 2	6.7%	33.8%	31.4%	14.9%
Survey 3	15.9%	25.4%	26.1%	12.0%
Survey 4	17.1%	14.9%	28.3%	11.9%

### Gifts from Individuals of less than £1,000

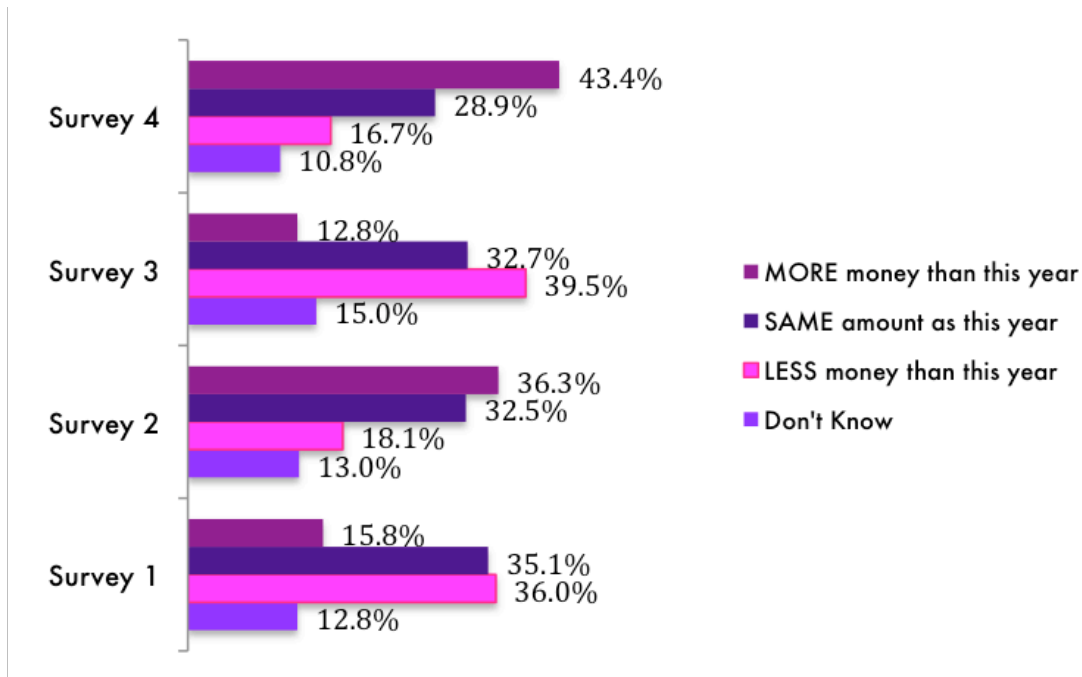
	Likely to have raised more	Likely to have raised the same	Likely to have raised less	Don't Know
Survey 1	14.1%	22.7%	25.7%	17.0%
Survey 2	19.1%	28.7%	22.6%	15.0%
Survey 3	19.3%	28.3%	16.1%	10.3%
Survey 3	25.5%	24.0%	13.5%	15.0%

## Overall Fund-raising Expectations for Organizations' Next Financial Year

We next raised the key question to understand how respondents may feel about their fund-raising potential in their next full financial year. Here, we asked.

*Based on your overall fund-raising performance in your current financial year, how do you feel your organization's fund-raising activities could perform in your NEXT financial year?*

Survey 1 Respondent Profile: 233,  
Survey 2 Respondent Profile: 274,  
Survey 3 Respondent Profile: 440,  
Survey 4 Respondent Profile: 452.



## Findings 2: London vs Rest of the UK

Again, the level of response to this Survey, allowed us to undertake an analysis of trends within the Greater London area in comparison to the rest of the UK in order to assess any ongoing recessionary impacts on fund-raising.

We asked respondents to gauge fund-raising performance in their current financial year to date when compared to the same point in their last completed financial year and noted the following trends:

Survey 1 Respondent Profile: London 171, Rest of the UK 135  
 Survey 2 Respondent Profile: London 199, Rest of the UK 154  
 Survey 3 Respondent Profile: London 164, Rest of the UK 276  
 Survey 4 Respondent Profile: London 157, Rest of the UK 295

NB: 'We do not engage in this activity' & 'Don't Know' responses not reported)

Here again, we have selected the five most common areas of fund-raising activity across respondents.

### Sponsorships from Companies

	More than 25%	Raised More 1 - 25% more	Raised Same	1 - 25% less	Raised Less 26 - 50% less	More than 50% less
<b>London</b>						
Survey 1	9.3%	18.0%	11.1%	13.4%	26.8%	6.4%
Survey 2	1.9%	5.7%	28.8%	9.6%	26.9%	9.6%
Survey 3	7.6%	20.0%	21.5%	10.7%	18.4%	1.5%
Survey 4	10.0%	20.0%	18.0%	4.0%	26.0%	14.0%
<b>Rest of UK</b>						
Survey 1	8.1%	16.9%	20.7%	20.0%	37.7%	11.8%
Survey 2	2.6%	10.5%	34.2%	21.0%	44.7%	7.9%
Survey 3	7.4%	12.0%	28.9%	14.9%	30.7%	8.4%
Survey 4	5.5%	23.3%	20.0%	6.7%	24.4%	13.3%



## Philanthropic Gifts or Grants from Companies

	Raised More		Raised Same	1 - 25% less	Raised Less	More than 50% less
	More than 25%	1 - 25% more			26 - 50% less	
<b>London</b>						
Survey 1	2.3%	18.0%	20.4%	4.0%	19.1%	8.7%
Survey 2	4.0%	10.0%	18.0%	12.0%	24.0%	8.0%
Survey 3	3%	12.2%	36.9%	7.7%	15.3%	3.0%
Survey 4	6.1%	16.3%	16.3%	6.1%	22.4%	4.1%
<b>Rest of UK</b>						
Survey 1	5.9%	14.7%	9.6%	20.0%	25.0%	11.8%
Survey 2	0.0%	5.5%	22.2%	15.5%	38.8%	2.9%
Survey 3	1.9%	5.7%	28.9%	14.9%	30.7%	8.4%
Survey 4	1.1%	6.6%	24.4%	7.7%	14.3%	2.2%

## Project-based Grants from Trusts

	Raised More		Raised Same	1 - 25% less	Raised Less	More than 50% less
	More than 25%	1 - 25% more			26 - 50% less	
<b>London</b>						
Survey 1	11.1%	26.8%	16.3%	14.0%	25.6%	7.0%
Survey 2	3.9%	25.4%	23.0%	9.8%	32.1%	12.5%
Survey 3	12.7%	34.9%	22.0%	17.4%	23.6%	3.1%
Survey 4	14.0%	28.0%	19.0%	20.0%	52.0%	12.0%
<b>Rest of UK</b>						
Survey 1	8.8%	23.6%	28.8%	11.8%	20.6%	0%
Survey 2	7.7%	17.9%	15.3%	23%	46.1%	7.7%
Survey 3	6.4%	21%	31.1%	11%	36.6%	12.8%
Survey 4	14.3%	29.7%	21.9%	15.4%	35.1%	8.8%

## Core Funding from Trusts

	Raised More		Raised Same	Raised Less		
	More than 25%	1 - 25% more		1 - 25% less	26 - 50% less	More than 50% less
<b>London</b>						
Survey 1	7.0%	9.3%	28.0%	7.0%	18.6%	7.0%
Survey 2	1.9%	13.6%	33.3%	9.8%	17.5%	5.8%
Survey 3	3.2%	13.1%	19.1%	8.9%	15.2%	0.0%
Survey 4	6.2%	12.4%	22.9%	20.8%	43.8%	16.7%
<b>Rest of UK</b>						
Survey 1	5.9%	14.7%	17.7%	2.9%	11.7%	0.0%
Survey 2	0.0%	0.0%	31.5%	10.5%	33.7%	5.2%
Survey 3	1.6%	20.6%	30.1%	11.1%	15.8%	4.7%
Survey 4	6.9%	14.8%	14.7%	14.7%	28.7%	6.8%

## Gifts from Individuals of less than £1,000

	Raised More		Raised Same	Raised Less		
	More than 25%	1 - 25% more		1 - 25% less	26 - 50% less	More than 50% less
<b>London</b>						
Survey 1	2.3%	13.9%	16.3%	16.3%	32.6%	7.0%
Survey 2	1.9%	9.7%	29.4%	7.8%	13.6%	0.0%
Survey 3	1.6%	15.9%	25.4%	17.4%	19%	0.0%
Survey 4	8.0%	18.1%	20.0%	6.0%	20.2%	6.0%
<b>Rest of UK</b>						
Survey 1	5.9%	20.7%	27.4%	0.0%	11.7%	8.8%
Survey 2	2.8%	5.7%	45.7%	14.2%	22.8%	5.7%
Survey 3	1.9%	12.4%	35.5%	10.5%	18.1%	1.9%
Survey 4	5.6%	15.0%	30.6%	3.4%	15.6%	7.9%

Again, we asked respondents to forecast what they felt could be their financial year-end position, compared to the position for their last full financial year.

Survey 1 Respondent Profile: London 171, Rest of the UK 135  
 Survey 2 Respondent Profile: London 199, Rest of the UK 154  
 Survey 3 Respondent Profile: London 164, Rest of the UK 276  
 Survey 4 Respondent Profile: London 157, Rest of the UK 295

NB: 'We do not engage in this activity' responses not reported

Here as before, we have selected the five most common areas of fund-raising activity across both respondent communities.

### Sponsorships from Companies

	Likely to have raised more	Likely to have raised the same	Likely to have raised less	Don't Know
<b>London</b>				
Survey 1	17.5%	9.9%	30.4%	17.5%
Survey 2	6.0%	24.0%	34.0%	22.0%
Survey 3	36.4%	17.4%	23.6%	14.3%
Survey 4	19.1%	10.6%	27.6%	10.6%
<b>Rest of UK</b>				
Survey 1	20.0%	27.0%	30.0%	5.9%
Survey 2	18.9%	27.0%	43.2%	2.7%
Survey 3	14.6%	16.6%	22.9%	6.2%
Survey 4	29.8%	19.5%	17.2%	16.1%

### Philanthropic Gifts or Grants from Companies

	Likely to have raised more	Likely to have raised the same	Likely to have raised less	Don't Know
<b>London</b>				
Survey 1	17.5%	9.9%	30.4%	17.5%
Survey 2	8.1%	22.4%	20.4%	26.5%
Survey 3	22.0%	23.0%	17.4%	15.8%
Survey 4	13.3%	14.8%	22.2%	11.1%
<b>Rest of UK</b>				
Survey 1	20.0%	27.0%	30.0%	5.9%
Survey 2	14.2%	17.1%	31.3%	8.5%
Survey 3	12.2%	14.8%	26.4%	6.0%
Survey 4	16.2%	22.1%	26.7%	17.4%

## Project-based Grants from Trusts

	Likely to have raised more	Likely to have raised the same	Likely to have raised less	Don't Know
<b>London</b>				
Survey 1	17.5%	9.9%	30.4%	17.5%
Survey 2	20.0%	30.0%	24.0%	24.0%
Survey 3	36.4%	17.4%	23.6%	14.3%
Survey 4	29.7%	21.3%	40.4%	6.3%
<b>Rest of UK</b>				
Survey 1	20.0%	27.0%	30.0%	5.9%
Survey 2	18.9%	32.4%	29.7%	8.1%
Survey 3	14.6%	16.6%	22.9%	6.2%
Survey 4	17.2%	11.5%	21.8%	16.1%

## Core Funding from Trusts

	Likely to have raised more	Likely to have raised the same	Likely to have raised less	Don't Know
<b>London</b>				
Survey 1	17.5%	9.9%	30.4%	17.5%
Survey 2	10.2%	36.7%	28.3%	24.4%
Survey 3	22.1%	23.8%	20.6%	15.8%
Survey 4	17.4%	21.7%	41.3%	4.3%
<b>Rest of UK</b>				
Survey 1	20.0%	27.0%	30.0%	5.9%
Survey 2	2.78%	25.0%	33.2%	8.3%
Survey 3	13.1%	26.2%	28.2%	6.0%
Survey 4	17.2%	11.4%	39.1%	16.1%

## Gifts from Individuals of less than £1,000

	Likely to have raised more	Likely to have raised the same	Likely to have raised less	Don't Know
<b>London</b>				
Survey 1	17.5%	9.9%	30.4%	17.5%
Survey 2	22.4%	22.0%	16.8%	24.5%
Survey 3	25.4%	22.0%	14.3%	17.4%
Survey 4	19.1%	17.0%	17.0%	8.5%
<b>Rest of UK</b>				
Survey 1	20.0%	27.0%	30.0%	5.9%
Survey 2	14.2%	34.2%	25.5%	5.7%
Survey 3	14.4%	31.9%	16.5%	6.2%
Survey 4	25.8%	28.2%	7.1%	18.8%

## Regional Fund-raising Expectations for Organisations' Next Financial Years

We next raised a key question to understand how respondents may feel about their fund-raising potential in their next full financial year. Here, we asked.

*Based on your overall fund-raising performance in your current financial year, how do you feel your organization's fund-raising activities could perform in your NEXT financial year?*

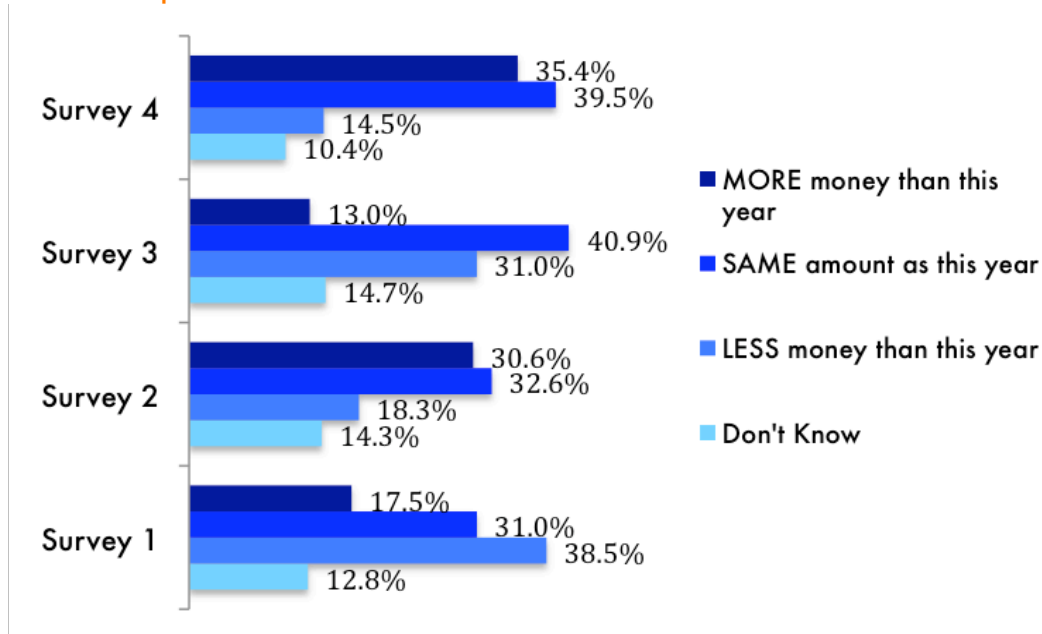
Survey 1 Respondent Profile: London 171, Rest of UK 135

Survey 2 Respondent Profile: London 199, Rest of UK 154

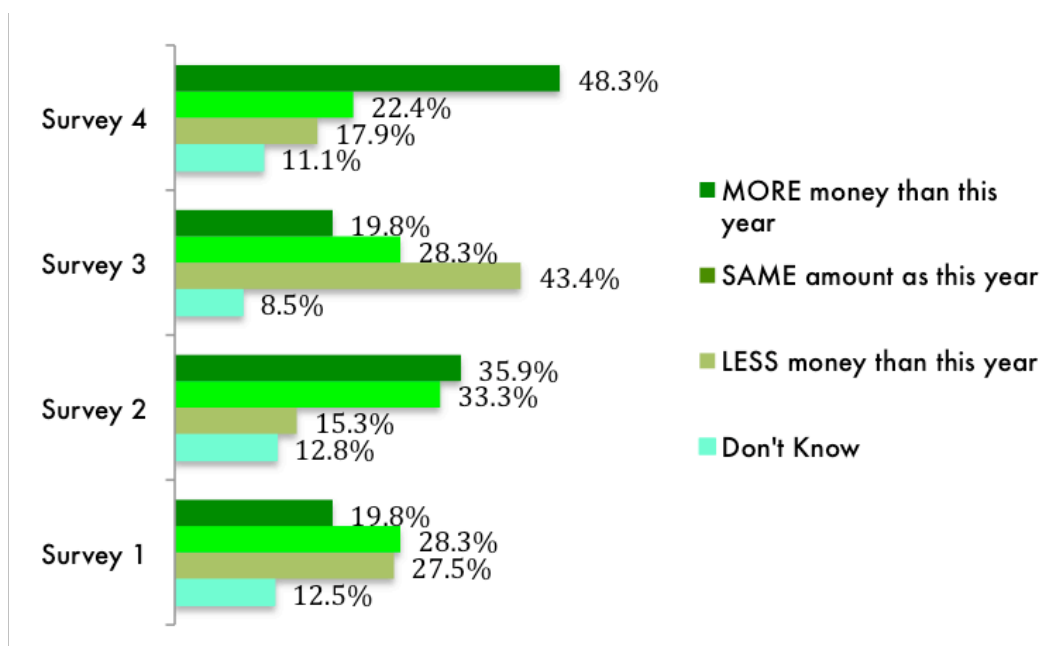
Survey 3 Respondent Profile: London 164, Rest of UK 276

Survey 4 Respondent Profile: London 157, Rest of UK 295

### London Responses



### Rest of UK Responses



## Findings 3: Theatre Community vs Other Cultural Communities

The scale of response to this Survey again allowed us to undertake an analysis of trends looking at the UK theatre community as our largest respondent group versus those other respondents from within the arts community.

### Current Fund-raising Performance

When asked to gauge fund-raising performance in their current financial year to date compared to the same point in their last completed financial year, respondents provided the following information:

Survey 1 Profile: Theatre Organizations 92, Rest of the cultural sector ('other cultural bodies') 141

Survey 2 Profile: Theatre Organizations 92, Rest of the cultural sector ('other cultural bodies') 182

Survey 3 Profile: Theatre Organizations 137, Rest of the cultural sector ('other cultural bodies') 303

Survey 4 Profile: Theatre Organizations 159, Rest of the cultural sector ('other cultural bodies') 293

NB: 'We do not engage in this activity' & 'Don't Know' responses not reported)

Here again, we have selected the five most common areas of fund-raising activity across respondents.

### Sponsorships from Companies

	Raised More		Raised Same	Raised Less		
	More than 25%	1 - 25% more		1 - 25% less	26 - 50% less	More than 50% less
<b>Theatre Organizations</b>						
Survey 1	3.2%	14.0%	15.2%	18.4%	47.6%	10.8%
Survey 2	0.0%	4.1%	37.5%	12.5%	33.3%	12.5%
Survey 3	8.1%	18.3%	30.6%	14.3%	22.4%	4.0%
Survey 4	5.7%	20.0%	25.9%	2.8%	11.4%	8.5%
<b>Other Cultural Bodies</b>						
Survey 1	13.4%	18.3%	19.1%	16.3%	24%	4.9%
Survey 2	4.1%	10.3%	27.0%	18.7%	39.5%	8.33%
Survey 3	7.7%	13.6%	23.9%	12.8%	28.1%	6.8%
Survey 4	7.5%	22.6%	15.1%	6.6%	25.4%	15.1%

## Philanthropic Gifts or Grants from Companies

	Raised More		Raised Same	Raised Less		
	More than 25%	1 - 25% more		1 - 25% less	26 - 50% less	More than 50% less
<b>Theatre Organizations</b>						
Survey 1	0.0%	11.9%	28.2%	7.6%	28.2%	4.3%
Survey 2	8.3%	8.3%	29.1%	8.3%	16.5%	4.1%
Survey 3	2.0%	10.3%	35.4%	10.4%	18.6%	2.0%
Survey 4	2.9%	14.6%	29.4%	5.8%	26.4%	0.0%
<b>Other Cultural Bodies</b>						
Survey 1	4.9%	18.3%	7.8%	13.4%	16.2%	0.0%
Survey 2	0.0%	8.8%	15.5%	24.4%	42.1%	15.5%
Survey 3	2.6%	6.9%	28.7%	8.7%	17.3%	4.3%
Survey 4	2.8%	8.5%	18.8%	7.5%	18.7%	3.7%

## Project-based Grants from Trusts

	Raised More		Raised Same	Raised Less		
	More than 25%	1 - 25% more		1 - 25% less	26 - 50% less	More than 50% less
<b>Theatre Organizations</b>						
Survey 1	11.9%	27.1%	27.1%	19.5%	31.4%	4.3%
Survey 2	4.1%	12.4%	29.1%	4.1%	29.1%	12.5%
Survey 3	8.0%	24.0%	34.0%	12.0%	30%	8.0%
Survey 4	8.8%	23.5%	26.4%	20.6%	41.1%	2.9%
<b>Other Cultural Bodies</b>						
Survey 1	12.7%	28.3%	20.5%	10.6%	17.6%	4.9%
Survey 2	6.2%	27.0%	16.6%	20.8%	43.7%	10.4%
Survey 3	9.4%	28.2%	26.0%	14.5%	32.4%	9.4%
Survey 4	15.7%	30.5%	16.6%	15.7%	41.5%	12.9%

## Core Funding from Trusts

	Raised More		Raised Same	Raised Less		
	More than 25%	1 - 25% more		1 - 25% less	26 - 50% less	More than 50% less
<b>Theatre Organizations</b>						
Survey 1	3.2%	10.8%	32.6%	11.9%	16.2%	0.0%
Survey 2	0.0%	8.7%	39.1%	8.7%	17.4%	8.7%
Survey 3	6.1%	20.4%	32.6%	6.1%	16.2%	4.0%
Survey 4	2.9%	8.7%	23.5%	23.5%	26.4%	11.7%
<b>Other Cultural Bodies</b>						
Survey 1	7.8%	12.7%	21.2%	0.0%	13.4%	5.6%
Survey 2	0.0%	2.0%	35.4%	12.5%	22.8%	6.2%
Survey 3	1.8%	12.6%	36.9%	9.9%	20.7%	6.3%
Survey 4	7.7%	15.4%	15.5%	14.5%	31.9%	9.7%

## Gifts from Individuals of less than £1,000

	Raised More		Raised Same	Raised Less		
	More than 25%	1 - 25% more		1 - 25% less	26 - 50% less	More than 50% less
<b>Theatre Organizations</b>						
Survey 1	0.0%	15.2%	27.1%	11.9%	31.4%	3.2%
Survey 2	0.0%	12.5%	37.5%	12.5%	12.5%	0.0%
Survey 3	2.0%	24.9%	14.5%	8.3%	22.8%	10.4%
Survey 4	5.7%	31.4%	34.3%	8.5%	14.2%	0.0%
<b>Other Cultural Bodies</b>						
Survey 1	4.9%	15.5%	24.8%	7.8%	18.4%	7.8%
Survey 2	4.4%	8.8%	35.5%	13.3%	24.3%	4.4%
Survey 3	2.0%	18.6%	33.0%	10.4%	16.6%	0.0%
Survey 4	4.7%	24.7%	21.9%	3.8%	18.0%	8.5%



## Fund-raising Performance to Financial Year-End

Again, we asked respondents to forecast what they felt could be their financial year-end position, compared to their position for their last full financial year.

Survey 1 Profile: Theatre Organizations 92, Rest of the cultural sector ('other cultural bodies') 141  
 Survey 2 Profile: Theatre Organizations 92, Rest of the cultural sector ('other cultural bodies') 182  
 Survey 3 Profile: Theatre Organizations 137, Rest of the cultural sector ('other cultural bodies') 303  
 Survey 4 Profile: Theatre Organizations 159, Rest of the cultural sector ('other cultural bodies') 293  
 NB: 'We do not engage in this activity' responses not reported)

Here as before, we have selected the five most common areas of fund-raising activity across both regions

### Sponsorships from Companies

	Likely to have raised more	Likely to have raised the same	Likely to have raised less	Don't Know
<b>Theatre Organizations</b>				
Survey 1	21.7%	13.0%	47.8%	0.0%
Survey 2	18.1%	27.2%	36.3%	9.0%
Survey 3	25.0%	31.0%	20.8%	6.0%
Survey 4	17.6%	32.3%	20.4%	8.2%
<b>Other Cultural Bodies</b>				
Survey 1	14.1%	25.5%	22.7%	19.8%
Survey 2	10.4%	22.9%	41.5%	14.5%
Survey 3	18.0%	18.0%	23.6%	12.7%
Survey 4	28.7%	11.8%	20.8%	15.8%

### Philanthropic Gifts or Grants from Companies

	Likely to have raised more	Likely to have raised the same	Likely to have raised less	Don't Know
<b>Theatre Organizations</b>				
Survey 1	17.3%	17.3%	40.2%	0.0%
Survey 2	9.0%	27.2%	13.6%	17.0%
Survey 3	19.1%	21.2%	21.1%	4.2%
Survey 4	9.1%	30.3%	18.1%	15.1%
<b>Other Cultural Bodies</b>				
Survey 1	17.0%	8.5%	8.5%	29.0%
Survey 2	10.8%	17.4%	32.6%	21.7%
Survey 3	16.8%	19.6%	20.5%	12.0%
Survey 4	17.1%	15.4%	13.1%	15.1%

## Project-based Grants from Trusts

	Likely to have raised more	Likely to have raised the same	Likely to have raised less	Don't Know
<b>Theatre Organizations</b>				
Survey 1	17.3%	34.7%	30.4%	8.6%
Survey 2	22.6%	31.8%	13.6%	18.1%
Survey 3	29.1%	14.5%	35.4%	4.1%
Survey 4	14.3%	34.3%	37.1%	11.4%
<b>Other Cultural Bodies</b>				
Survey 1	27.6%	16.3%	21.9%	24.8%
Survey 2	23.0%	27.0%	35.4%	14.5%
Survey 3	33.9%	20.5%	29.4%	12.5%
Survey 4	33.8%	15.5%	33.9%	14.5%

## Core Funding from Trusts

	Likely to have raised more	Likely to have raised the same	Likely to have raised less	Don't Know
<b>Theatre Organizations</b>				
Survey 1	14.1%	28.2%	23.9%	8.6%
Survey 2	9.0%	40.9%	18.2%	13.6%
Survey 3	17.0%	21.2%	29.7%	6.3%
Survey 4	14.3%	20.0%	28.5%	8.5%
<b>Other Cultural Bodies</b>				
Survey 1	16.3%	27.6%	10.6%	21.9%
Survey 2	4.35%	30.4%	32.6%	15.2%
Survey 3	15.4%	27.2%	24.5%	11.8%
Survey 4	18.1%	13.1%	28.3%	13.1%

## Gifts from Individuals of less than £1,000

	Likely to have raised more	Likely to have raised the same	Likely to have raised less	Don't Know
<b>Theatre Organizations</b>				
Survey 1	13.0%	27.1%	35.8%	8.6%
Survey 2	22.7%	27.2%	13.6%	13.6%
Survey 3	15.4%	27.0%	24.5%	11.8%
Survey 4	35.2%	32.3%	11.6%	8.8%
<b>Other Cultural Bodies</b>				
Survey 1	14.1%	20.5%	26.2%	14.1%
Survey 2	19.1%	25.5%	23.4%	14.9%
Survey 3	17.6%	26.8%	16.6%	13.8%
Survey 4	26.2%	21.2%	14.1%	17.1%

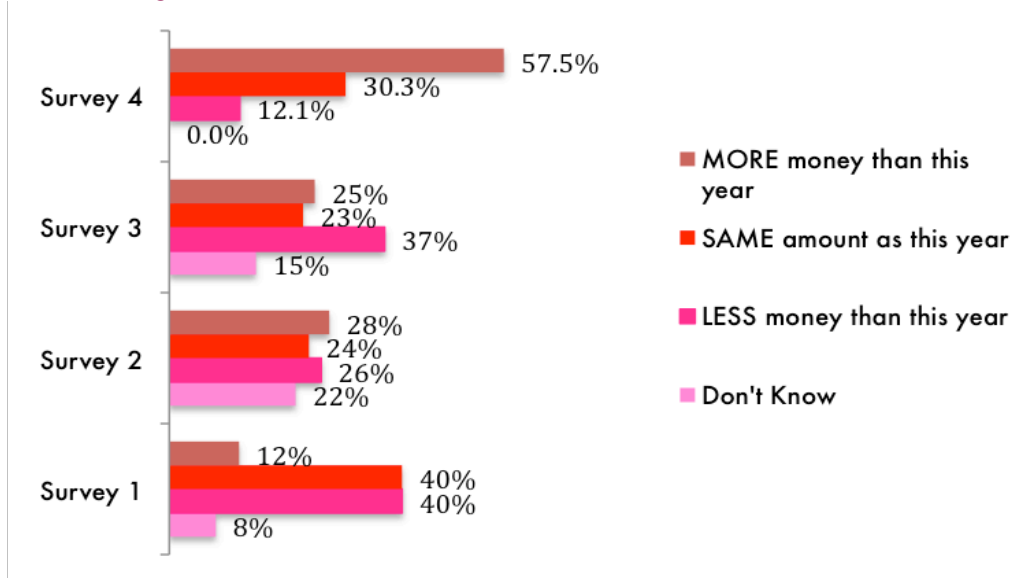
## Fund-raising Expectations for Organizations' Next Financial Years

Again, we raised the key question to understand how respondents may feel about their fund-raising potential in their next full financial year. Here, we asked:

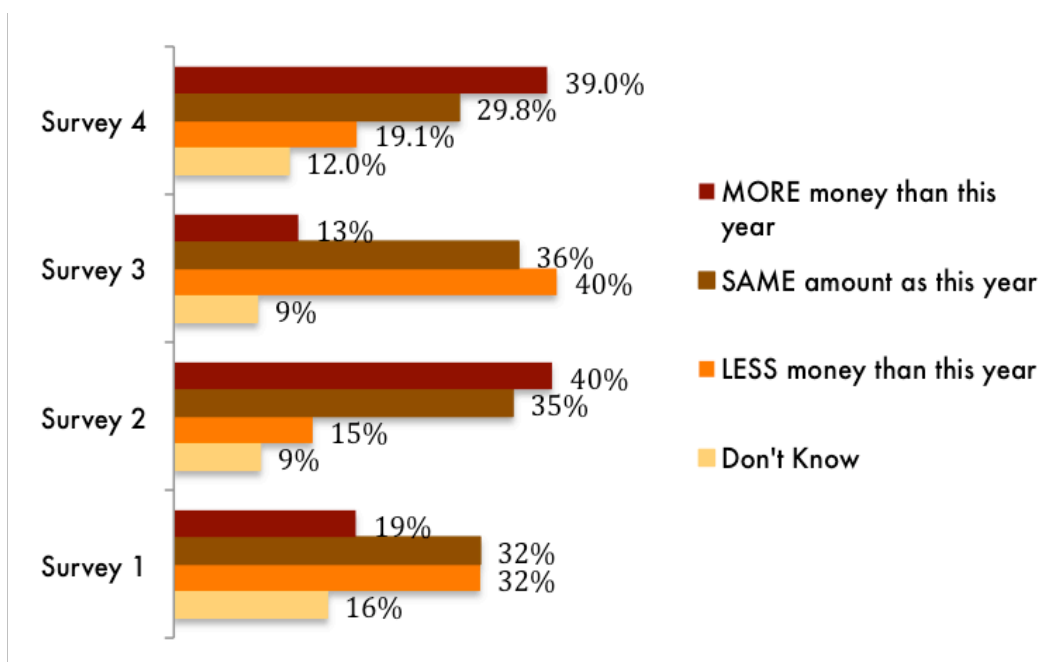
*Based on your overall fund-raising performance in your current financial year, how do you feel your organization's fund-raising activities could perform in your NEXT financial year?*

Survey 1 Profile: Theatre Organizations 92, Rest of the cultural sector ('other cultural bodies') 141  
 Survey 2 Profile: Theatre Organizations 92, Rest of the cultural sector ('other cultural bodies') 182  
 Survey 3 Profile: Theatre Organizations 137, Rest of the cultural sector ('other cultural bodies') 303  
 Survey 4 Profile: Theatre Organizations 159, Rest of the cultural sector ('other cultural bodies') 293  
 NB: 'We do not engage in this activity' responses not reported

### Theatre Organizations



### Other Cultural Bodies



As in all our earlier Surveys on this issue we provided respondents with an opportunity to share further insights alongside our formal questioning. We asked,

*Are there any other comments you would like to make about your organization's fund-raising or revenue generation performance or about any potential impacts on likely cuts in statutory subsidy levels?*

*We are a small support organization, crucial to 700 glass-makers. We have very few opportunities to generate earned income. A small ACE grant goes an incredibly long way and allows us to operate as a professional organization. The withdrawal of ACE funding is very short sighted and will not help us to support the many artists we currently work with. We are very uncertain if we can survive.*

*We have been undergoing a significant Board recruitment exercise and aim to make use of relevant contacts to make inroads into individual and company giving.*

*Last year we formally adopted our trading in kind as a means of producing content and supporting other neighbouring arts organizations. We will continue to do this and will be acknowledging the alternative value system in our business plan as we believe bartering is a crucial form of trade in these extremely testing times.*

*Simply that the subsidy will no longer be an effective subsidy, and therefore the cuts are forcing changes in the business plan and making the theatre more of a commercial set up than the public service oriented idea that has sustained it over the last thirty years.*

*We have been very fortunate to have had very good fundraising outcomes over the past 2 years. This has been due to increased investment in fundraising expertise, increased profile and reputation, and securing grants at a higher level and over multiple years. We recognise that we need to diversify our funding portfolio however and begin new initiatives looking forward so we do not rely on the same small groups of funders. We need to plug a G4A gap (we will no longer be able to apply as we are core funded) and begin to look at online giving/individual giving/ digital opportunities.*

*We feel the cuts to local authority funding will have more impact over the next few years - likely to affect the use of our education provision for example which will affect our earned income. We also suspect that our individual giving programme may suffer more this year than previously.*

*We are a local authority run museum experiencing a triple-whammy - cuts to our own authority's budget, potential loss of MLA funding, failed to achieve NPO status and no guarantee of Grants for the Arts funding which we have had in the past. On the other hand, we are more active than ever in trying to generate income from elsewhere, with excellent support from trusts, an active and well developed Friends organisation, improved shop, merchandise and cafe offers and a major new permanent gallery opening next summer.*

*We are completing significantly higher numbers of applications for funding but are seeing significantly lower positive responses due to over subscription to these sources. Over all, despite the additional efforts we will be significantly down in funding.*

*As we already generate a high proportion of our income from non-ACE sources, the pressure to increase the level earned by a % year on year, will be a great challenge;*

*As a small, community-focused organisation, we are very concerned about our capacity to raise funds from new sources and feel that we could miss out as the larger and higher profile organisations make progress with private sector donors;*

*Local authority cuts and the prospect of more to come are having a serious impact on not just ourselves but on the programmes and agencies we have traditionally won funding from (eg Youth services, health programmes, etc.)*

*We previously ran costume making workshops in the local area but there was a cut of 75% overall to the Youth Service budget (who commissioned the workshops), so this source of income has disappeared*

*We work very hard and chase funding all the time; not being awarded Portfolio funding - when all ACE annual reports were uniformly good - is like being stabbed in the back.*

*We are expecting further reductions or total cuts from our local authority funders and have reserves to draw on in the short term. We are having to make strategic decisions about the location of our office base and are considering how a move to another area could open up the potential of other local authorities funding our organisation.*

*We entered the period of instability in a very strong financial position. We have adapted and introduced new/old working practices which have maintained the spread of the benefits to the people we work with without seriously undermining our core operation. This has meant that we are under staffed and working to the wire and this in itself may not be sustainable in the long run. The frustrations of encountering such heavily oversubscribed funding schemes is a little disheartening. The depth, impact and integration of our work is not helped by the levels of resource reduction and local provision will suffer. Further cuts in statutory subsidy levels and more tightly targeted public expenditure with a 'task and finish' mentality will erode long term gains in development work over time.*

*The statutory cuts from ACE and local authorities hit us in two ways as venues we visit are also affected and therefore fee income is dropping and box office deals less favourable.*

*Total reductions in core funding and project funding in 2011/12: £180K. As a consequence, we have made 5.6 posts redundant in our education and community team. We are actively seeking new sources of funding and investment, as well as increasing our earned income significantly this year.*

*We are looking at how to bring new business models into the way we relate to our audiences and as well as launching a patrons scheme for the first time and revamping our membership offer, we have to be more resilient by upping the proportion of earned income and looking to a global market place. Reliance on sponsorship is unwise as this is at the whim of the economic recovery which is currently faltering. We will look to develop long term relationships with our corporate partners and make sure that our programme of exhibitions and education is aligned to the needs of our audience and communities as well as to our corporate and individual supporters.*

*Due to our attempt to diversify our income, we have now appointed a skilled fundraiser to carry out these duties.*

*As a lean organisation we have always relied on statutory funding to underpin our significant core costs (eg education, curatorial staff), and raised funds to support project-based activity such as specific large-scale exhibitions and community projects. The cuts (more than 15%) are such that the core infrastructure can no longer be taken as a "given" which is a difficult position from which to plan. There is a danger of constraining future provision which could start a vicious cycle which has an impact on visitor numbers (due to a less vibrant artistic programme) which then affects commercial income. As a matter of urgency we have proposed radical action to increase our fundraising capacity to ensure a balanced portfolio of external income to secure our future vision.*

*Our income has traditionally been based on 50% statutory funding. Over the next 18 months we need to replace that whilst also covering all our other programme and core costs and generating new work. Local authorities, prisons and education providers are obvious alternative sources of income for our prison based work- but each of these sources is facing its own economic austerity measures and applying increasingly exclusive parameters to funding and partnership. Commissioning, tendering and competitive processes require the kind of resource over and above our capacity and the future for our funding is precarious to say the least. We need to build a complete new profile and model for income generation to sustain us past 2013.*

*Private donations do not exactly make up the shortfall in statutory funding, as donors may not wish to fund the same activity.*

## Findings 4: Cultural Organizations 'Earned Income' Findings

While the majority of our respondents undertake some degree of fund-raising, all but very few generate income via other earned channels. We sought to gain from participants a clear sense as to how their wider revenue generation activities may be performing at this time and how organizations are presently feeling these may be impacted by the current economic climate. Here we posed the question,

*Thinking about non-fund-raising sources of revenue from which your organization looks to derive income, what do you feel your financial year-end position is likely to be?*

Survey 1 Profile: Theatre Organizations 92, Rest of the cultural sector ('other cultural bodies') 141  
 Survey 2 Profile: Theatre Organizations 92, Rest of the cultural sector ('other cultural bodies') 182  
 Survey 3 Profile: Theatre Organizations 137, Rest of the cultural sector ('other cultural bodies') 303  
 Survey 4 Profile: Theatre Organizations 159, Rest of the cultural sector ('other cultural bodies') 293  
 NB: 'We do not engage in this activity' responses not reported

We present here the six areas of revenue activity most common to respondents from within the cultural community:

### Ticket Sales/ Admission Charges

	Likely to have generated more than in our last full FY	Likely to have generated the same as in our last full FY	Likely to have generated less than in our last full FY	Don't Know
<b>Theatre Organizations</b>				
Survey 1	34.7%	30.4%	27.1%	7.6%
Survey 2	38.0%	19.0%	38.0%	4.7%
Survey 3	26.0%	32.6%	23.9%	4.3%
Survey 4	35.4%	25.8%	32.7%	0.0%
<b>Other Cultural Bodies</b>				
Survey 1	21.9%	21.9%	29.7%	7.0%
Survey 2	16.6%	33.3%	25.0%	2.0%
Survey 3	29.0%	21.0%	14.5%	6.3%
Survey 4	20.2%	20.1%	22.7%	10.7%

### Café/ Restaurant/ Bar/ On-site catering

	Likely to have generated more than in our last full FY	Likely to have generated the same as in our last full FY	Likely to have generated less than in our last full FY	Don't Know
<b>Theatre Organizations</b>				
Survey 1	7.6%	22.8%	27.1%	10.8%
Survey 2	28.5%	28.2%	9.5%	4.7%
Survey 3	19.5%	21.7%	19.5%	0.0%
Survey 4	22.5%	35.4%	16.1%	0.0%
<b>Other Cultural Bodies</b>				
Survey 1	17.0%	17.0%	12%	14.8%
Survey 2	25.0%	20.8%	14.5%	6.2%
Survey 3	13.6%	20.0%	5.4%	9.1%
Survey 4	12.0%	10.0%	21.7%	7.0%

## Commercial/ Private Hires of Spaces

	Likely to have generated more than in our last full FY	Likely to have generated the same as in our last full FY	Likely to have generated less than in our last full FY	Don't Know
<b>Theatre Organizations</b>				
Survey 1	10.8%	22.8%	27.1%	7.6%
Survey 2	19.0%	19.0%	38.0%	4.0%
Survey 3	45.6%	21.7%	17.3%	1.0%
Survey 4	29.0%	35.5%	19.3%	2.8%
<b>Other Cultural Bodies</b>				
Survey 1	14.8%	9.9%	24.8%	12.0%
Survey 2	14.5%	16.6%	31.2%	8.3%
Survey 3	19.1%	15.4%	15.4%	10.0%
Survey 4	27.0%	17.0%	11.0%	7.2%

## On-line Sales of Merchandise or Services

	Likely to have generated more than in our last full FY	Likely to have generated the same as in our last full FY	Likely to have generated less than in our last full FY	Don't Know
<b>Theatre Organizations</b>				
Survey 1	15.2%	18.4%	15.2%	7.6%
Survey 2	9.5%	23.8%	4.7%	23.8%
Survey 3	6.5%	15.2%	2.1%	2.1%
Survey 4	22.5%	25.8%	6.4%	3.2%
<b>Other Cultural Bodies</b>				
Survey 1	9.9%	7.0%	2.1%	21.9%
Survey 2	16.6%	20.8%	10.41%	20.8%
Survey 3	19.0%	20.0%	7.2%	10.0%
Survey 4	23.0%	14.0%	22.7%	10.7%

## On-site Merchandise Sales

	Likely to have generated more than in our last full FY	Likely to have generated the same as in our last full FY	Likely to have generated less than in our last full FY	Don't Know
<b>Theatre Organizations</b>				
Survey 1	7.6%	26.0%	22.8%	18.4%
Survey 2	14.2%	38.1%	9.5%	23.0%
Survey 3	8.7%	28.3%	15.2%	1.0%
Survey 4	12.9%	51.6%	10.7%	3.8%
<b>Other Cultural Bodies</b>				
Survey 1	12.0%	19.8%	19.8%	21.9%
Survey 2	12.5%	31.2%	14.5%	12.5%
Survey 3	17.2%	20.0%	7.2%	11.8%
Survey 4	21.2%	18.1%	10.3%	5.2%



## Education/ Professional Learning Fees

	Likely to have generated more than in our last full FY	Likely to have generated the same as in our last full FY	Likely to have generated less than in our last full FY	Don't Know
<b>Theatre Organizations</b>				
Survey 1	7.6%	38.0%	15.2%	15.2%
Survey 2	23.8%	33.0%	4.7%	14.2%
Survey 3	19.5%	36.0%	17.4%	4.3%
Survey 4	19.3%	51.6%	26.1%	3.2%
<b>Other Cultural Bodies</b>				
Survey 1	9.9%	32.6%	17.7%	12.7%
Survey 2	10.4%	41.6%	12.5%	12.0%
Survey 3	15.4%	35.0%	13.6%	14.5%
Survey 4	24.0%	29.0%	17.7%	7.1%

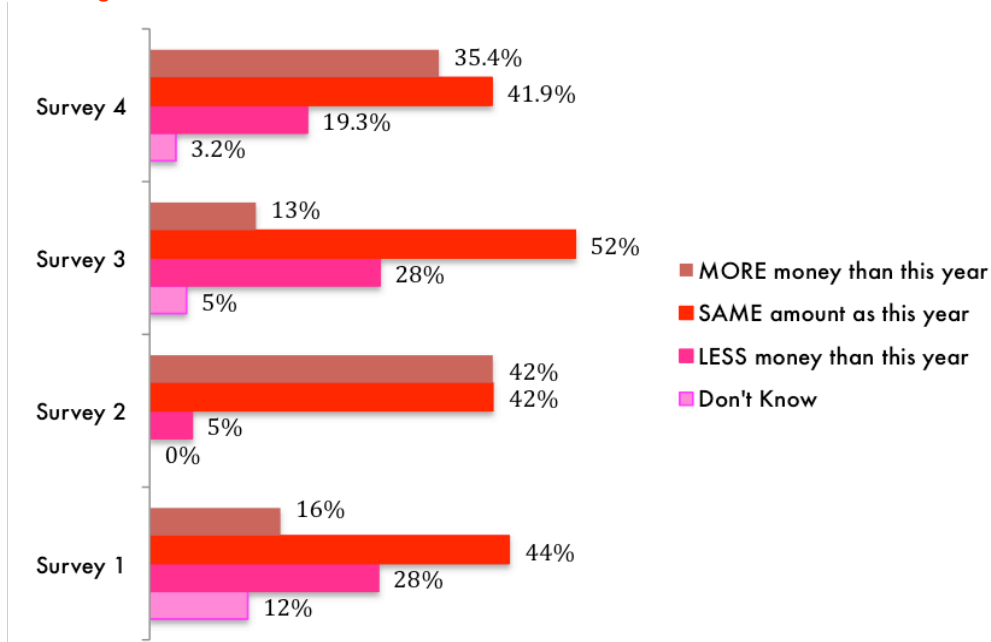
## Earned Income Expectations for Organizations' Next Financial Year

We then raised the key question to understand how respondents may feel about their revenue generation potential for their next full financial year. Here, we asked.

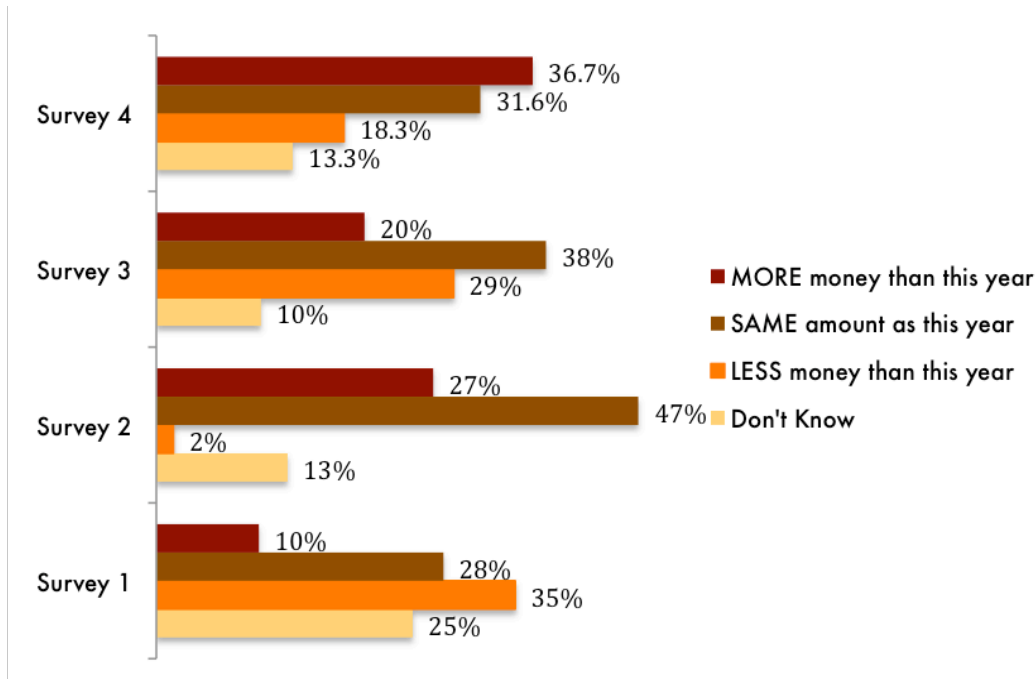
*Based on your revenue (non fund-raising) performance in this, your current financial year, how do you feel your organization's revenue activities could perform in your NEXT financial year?*

Survey 1 Profile: Theatre Organizations 92, Rest of the cultural sector ('other cultural bodies') 141  
 Survey 2 Profile: Theatre Organizations 92, Rest of the cultural sector ('other cultural bodies') 182  
 Survey 3 Profile: Theatre Organizations 137, Rest of the cultural sector ('other cultural bodies') 303  
 Survey 4 Profile: Theatre Organizations 159, Rest of the cultural sector ('other cultural bodies') 293  
 NB: 'We do not engage in this activity' responses not reported

### Theatre Organizations



### Other Cultural Bodies



## Sector Revenue Innovations

As part of our questioning, we invited participants to share with us any areas of activity that they have or are about to embark upon in order to diversify their revenues and aid growth. Here we provide a sample of the responses we received – cut and pasted direct from our Survey:

*We have licensed our venue as registered wedding venue.*

*We are making good use of our non- exhibition spaces - to host events, weddings and away days.*

*We are looking at possible image licensing across a collective of museums in our area.*

*We have put in place external contracts for managing some of our other arts spaces.*

*We have developed High Performance workshops, which are director-led training for corporates and other organisations. These are starting to take off quite significantly and are a great source of extra income for us.*

*We have had support from Creative Scotland toward a new post of Commercial Opportunities Manager in order that we increase our limited capacity to generate earned income.*

*We are moving into arts' based training for some of our commercial supporters.*

*We have a new income stream through a commercial partnership to manage our bar and cabaret venue. This will pay back dividends to the charity in future years.*

*We now have a cafe that we didn't have before.*

*Joining up with other arts organisations as a united front - meaning that we have lobbied and secured contacts with local authorities who would have cut funding entirely to each individual organisation. They realised that by cutting an entire sector, the fallout (press etc) would be significant - our local authorities are not that brave!*

*Innovative for us, but perhaps not the wider arts sector, will include increased exclusive merchandise, text donations and online fundraising.*

*About to develop digital streams - not likely to be profitable in early stages but part of our wider audience development objectives and greater access to our work.*

*Following Michael Kaiser's fundraising masterclass promoted by ACE, I am working with each Trustee to involve them more closely in a particular project, partly to excite their interest, but also to link them more closely into funding issues, ultimately to increase their involvement in fund raising where possible*

*We have moved into e-books which will have a long term impact on sales although in the short term the costs will outweigh the profit. We are using videos to promote our books which should help us generate more income.*

*We took part in the Big Arts Give - very very challenging but we raised £12K which cushioned us from the drastic decrease (75%) in business sponsorship. We are building on this for this year.*

*Olympic Hire of venue.*

*I do believe there is a real need for musicians working with children and young people to develop skills which will enable them to have the most impact on these young peoples' lives. There are many organisations delivering music activities including the music services which will be changing in the near future and in order to ensure the best music activities are delivered there needs to be a greater sharing of skills and expertise across the sector. The South West is in the process of setting up Communities of Practice that will be able to look strategically at provision and support each other through skill and knowledge sharing. These communities have the potential to become self-sustaining through working as a group of professionals, able to deliver across the South West and to have a voice able to offer Early Years and Disabilities services quality experiences which make a genuine contribution to child development and quality of life.*

*We have diversified and moved into production support for some commercial partners.*

*The main source would be new/developing partnerships within and outside the arts sector...particularly with Universities and individual artists applying for grants and extending the educational side of their work.*

*Text giving, online fundraising (£30 for 30 years birthday campaign to be launched in August)*

*New for us (though not exactly innovative) is online donations which has generated a steady but small income stream. Working much more closely with the University's 'Friends/Alumni' team towards specific campaigns - quite successfully.*

*Individual giving, which we expect to bring in above £10,000 this year. This is a very small percentage of our turnover (0.5%)*

*We have launched an online education site as a teaching resource which has a range of free and paid for toolkits. We also opened a shop in our main shopping area to sell tickets, artwork and gifts.*

*We are piloting a children's drama club for which fees are charged to participants*

*Providing diversity and conflict resolution workshops to the NHS: creating joint Goldsmith's evaluated project to train NEETS in facilitation around diversity and outdoor puppetry.*

*We are developing educational products to sell in the shop and online, are looking at how to raise other income through new events such as targeting lunchtime tours to a vibrant local community of lawyers and have started open microphone nights to bring in a new audience of the youth of Middlesbrough who love live music*

*Text-to-donate campaign - promising, but not particularly lucrative yet.*

*We have begun to offer training and professional development courses, teaching programmes, online publishing.*

*By year-end we will have introduced e-commerce functionality to our website.*

*Selling advertisements on our website*

*We have done Make a Will Week with local solicitors*

*More room hires, using space for business offices*

*We will be increasing our ticketed events by 100% and working on new contracts with Promoters to improve our chances of profit. This is all untested as the company had not undertaken this work in the past.*

*Film location fees.*

*More hires of studio theatre; more weekend events which help with cafe sales and promoting the organisation more widely*

*Manage the food outlet ourselves in order to drive up profits.*

*We are carrying out R&D in this year for new initiatives that we are likely to launch next year.*

*Arts Cafe, corporate room hire*

*Only new versions of old forms (membership scheme and enhanced targeting of high net worth individuals) combined with a focus on maximising income from current activities*

*Hire of theatre spaces during the Olympics. Generating artistically-led digital content which we feel is highly sponsorable.*

*Increasing our number of retail spaces.*

*We are looking to expand some of our education programme services, and to look at charging for the delivery of some of these.*

*Major advertising of building for hire - we have a beautiful building and plan to use it as an income generator much more than in the past. Internet sales - major rebuild of our website plus provision to buy tickets, classes etc online - reflecting how people seem to be shopping these days. Having a large collection of affordable art for sale so that we capitalise on the birthday present/treat for yourself market.*

*Rental of our car park space. We use this normally only during the evenings. We are planning to rent it out much more during the day than it is now.*

*Legacies campaign. Roll out of text donations (e.g. advertising on printed marketing materials). Much improved space for hire within new gallery opening next summer.*

*Membership scheme for schools as a local response to the end of the Sing Up programme.*

*We are planning to sell management and mentoring services related to running an arts organisation (and not directly about the artistic aspect).*

*Generating income by hiring products created for festivals, carnival and outdoor arts events; developing more courses and activities with fees relating to core programmes and projects; developing a social enterprise (CIC) specifically to develop and sell health related activities*

*We will make a concerted effort to include project management fees within costings for projects and endeavour not to undersell our skills and experience as an organisation and those of our staff.*

*We are partnering a couple of international organisations as delivery agents for specific strands of work in the UK.*

*We have a range of arts/media based skills which can contribute to partnership projects/ costed into proposals e.g. in photography, design, media manufacture.*

*CPD summer schools for professional dancers.*

*We will tour our product to more theatres, creating new receiving and co-producing partnerships*

*Potential development of Costume Store and hire, taking over stock currently owned by local authority.*

*Appointing a part-time fundraiser to focus on this area of development which could have long term positive impact for the organisation. Pushing for sales of work and taking 20%. To be written in artists' contracts and maybe a limited edition print but the sales to be handled by artists' gallery (due to lack of storage space) with us receiving a small %.*

*Selling of assets, Props, costumes, scenery.*

*Acting as a ticketing agency service for other venues, festivals and cultural organisations in Cumbria.*

*More active touring schedule.*

*We are looking at providing conservation services such as framing, labelling and restoration to smaller galleries and museums without the facilities*

*We are launching legacy and other fundraising initiatives. We are harnessing schemes to tap the tourism £.*

## Possible Impacts

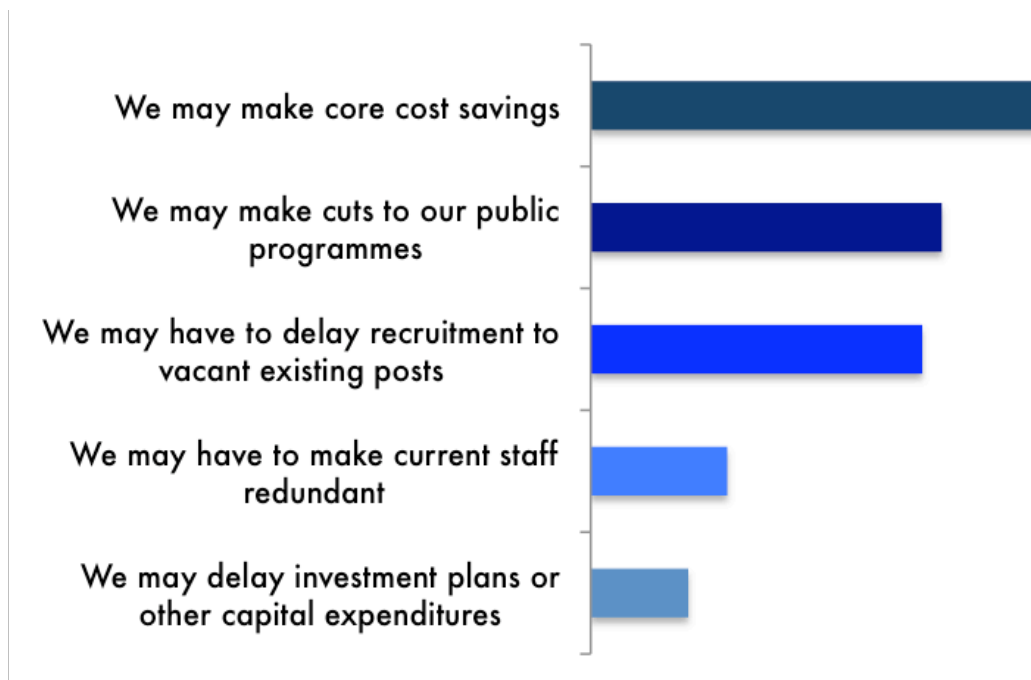
Having asked all of our respondents to share with us their fund-raising and wider revenue generation positions for this year and their predictions for their next financial year. We took the opportunity to ask them to reflect further on the possible ramifications of their income positions may have for their respective organizations. We asked,

*...please indicate from the list of option any actions that you may consider taking in the coming financial year in order to offset any predicted income shortfalls from private and/or public sector sources*

We detail here the highest scoring responses for four key constituencies of respondents where it can be seen both strength of viewpoint and sequence of possible actions varied, as illustrated through the length of bars in these charts:

### London Respondents

Respondent Profile Survey 4: 157 organizations in London



## Cultural Sector Respondents: outside London

Respondent Profile Survey 4: 295 organizations outside the Greater London area



## Theatre Organizations

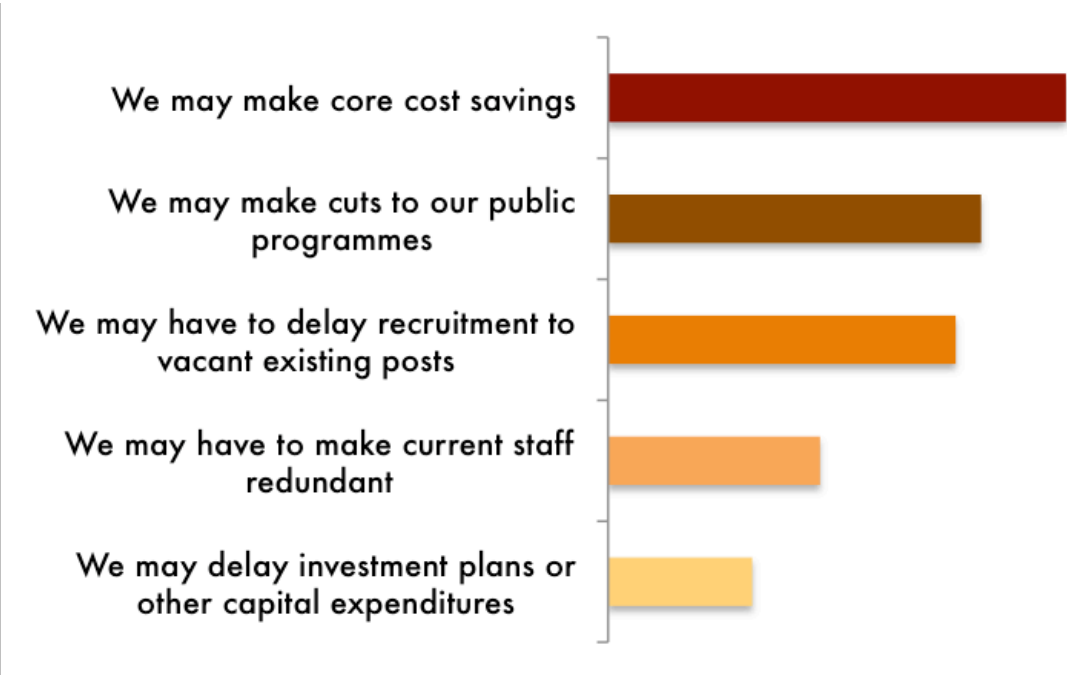
Respondent Profile Survey 4: 159 theatre organizations, UK wide





Other Cultural Bodies

Respondent Profile Survey 4: 293 organizations, UK wide



## Financial Recovery from Losses in Public Sector Funding

With significant proportions of arts organizations of all scales regions and art forms affected by cuts in levels of public sector support and a clear drive by the Coalition to see organizations diversify revenues through higher philanthropy, we sought to ask respondents to quantify the extent to which they believe they may be able to recoup losses of funding from other sources. We asked,

*Over what period of time do you believe that your organization will have been able to recoup any losses in statutory and/ or local government support from other sources of income?*

### Results by Region and Art Form

Respondent Profile: Theatre Organizations 159, Rest of the cultural sector ('other cultural bodies) 293  
London 157, Rest of UK 295

	London based respondents	Respondents based elsewhere in the UK	Theatre respondents	Respondents from art forms other than Theatre
Within our current financial year (i.e. by 2012)	4.4%	7.9%	2.9%	7.6%
Within our next financial year (i.e. by 2013)	12.0%	12.5%	14.7%	11.4%
By the end of the current Parliament (by 2015)	22.0%	17.8%	26.4%	16.2%
After 2015 but before 2020	14.8%	10.1%	11.9%	10.5%
After 2020	0.0%	1.7%	2.9%	2.9%
Don't Know	24.8%	40.9%	26.5%	38.1%
Not Applicable	22.0%	9.1%	14.7%	13.3%

## Results by Annual Turnover

Respondent Profile: T/O under £250k 112, £251k - £500k 85, £501k - £1m 64, £1m - £5m 134, £5m+ 57

	Under £250k	£251k – £500k	£501k – £1m	£1m – £5m	£5m+
Within our current financial year (i.e. by 2012)	5.0%	10.3%	0.0%	5.4%	12.5%
Within our next financial year (i.e. by 2013)	7.5%	3.5%	17.6%	16.3%	25.0%
By the end of the current Parliament (by 2015)	10.0%	17.2%	35.3%	21.6%	18.8%
After 2015 but before 2020	5.0%	17.2%	5.9%	18.9%	0.0%
After 2020	2.5%	6.9%	0.0%	0.0%	6.2%
Don't Know	47.5%	31.1%	29.4%	29.7%	31.3%
Not Applicable	22.5%	13.8%	11.8%	8.1%	6.2%

## Update on Views on the Philanthropy in the Arts Agenda

In March 2011 we undertook a consultation with the support of ACE into the Philanthropy in the Arts Agenda as outlined by the Secretary of State for Culture, Media and Sport. In light of information in the public domain by the time we came to conduct this Survey, we sought to gather responses on some key issues. We asked,

*Based on what you know at this stage about the Catalyst fundraising capacity building programmes – do you think that your organization will be applying for a grant from this Autumn?*

### Results by Region and Art Form

Respondent Profile: Theatre Organizations 159, Rest of the cultural sector ('other cultural bodies) 293  
London 157, Rest of UK 295

	London based respondents	Respondents based elsewhere in the UK	Theatre respondents	Respondents from art forms other than Theatre
Yes	46.8%	37.6%	51.6%	37.2%
No	27.6%	17.6%	22.5%	20.6%
Don't Know	25.5%	44.7%	25.8%	42.1%

### Results by Annual Turnover

Respondent Profile: T/O under £250k 112, £251k - £500k 85, £501k - £1m 64, £1m - £5m 134, £5m+ 57

	Under £250k	£251k – £500k	£501k – £1m	£1m – £5m	£5m+
Yes	20.0%	39.3%	47.1%	51.5%	66.7%
No	35.0%	17.8%	11.7%	12.1%	20.0%
Don't Know	45.0%	42.9%	41.2%	36.4%	13.3%

With endowment match funding featuring highly within early announcements within the Catalyst Arts programme, we sought to gather opinions from respondents on this particular initiative. We asked,

*Thinking about recent announcements made, do you believe that this is an appropriate time for the DCMS to be actively incentivizing organizations to establish endowments through a dedicated match-funding programme?*

### Results by Region and Art Form

Respondent Profile: Theatre Organizations 159, Rest of the cultural sector ('other cultural bodies) 293  
London 157, Rest of UK 295

	London based respondents	Respondents based elsewhere in the UK	Theatre respondents	Respondents from art forms other than Theatre
Yes	38.3%	37.6%	35.5%	38.2%
No	38.3%	21.2%	35.5%	25.5%
Don't Know	23.4%	41.2%	29.0%	36.3%

### Results by Annual Turnover

Respondent Profile: T/O under £250k 112, £251k - £500k 85, £501k - £1m 64, £1m - £5m 134, £5m+ 57

	Under £250k	£251k - £500k	£501k - £1m	£1m - £5m	£5m+
Yes	12.5%	32.1%	47.1%	69.7%	33.3%
No	30.0%	39.3%	17.7%	15.1%	40.0%
Don't Know	57.5%	28.6%	35.2%	15.2%	26.7%

In light of levels of activity by DCMS, ACE and HLF in recent months around the Philanthropy in the Arts Agenda as preparations we being made for Catalyst Arts announcements, we asked,

*Are there any aspects of DCMS/ ACE/ HLF's activities in regard to developing fundraising capacities which you have welcomed in recent months?*

*The endowment activities will only significantly benefit large national companies, e.g. Royal Opera House and smaller, more left field or innovative companies will not get a look in. The schemes are designed to prop up an establishment view of the arts only.*

*The match funding should not just be for endowments as we don't have a culture of this in this country and it will take time and they haven't always been the solution in the States especially in tough times. Also, we are a different culture and have very different attitudes to giving, especially to the arts. We like to give to cancer, dogs etc.. but the arts need a lot more time to get onto people's radars and especially out of London the govt needs to be aware this is a long journey not an overnight solution*

*Endowments are such a long term project that it's good to have started, but nobody should be under any illusions that we will see benefits within the next 10 years - the time frame needs to be seen as 20 to 30 years.*

*Not really as most schemes will only benefit larger organisations that have marketing and fundraising departments.*

*We have not implemented anything yet. We will be applying for Catalyst funding. Timing of the Digital Fund was not right for us so we were not able to apply for NESTA/ACE monies. As a small org we will not benefit from Endowments.*

*In theory the encouragement for organisations developing endowment funds is a good thing but not always convinced that the measures they talk about will impact significantly on organisations outside the capital; preference often for the usual suspects.*

*I welcome any opportunities that will help resource the development of our fundraising capacity.*

*None of any major significance that would be relevant to our organisation.*

*None. Seem completely out of touch with reality for small arts organisations.*

*Michael Kaiser was good but we should not have had to import such expertise - it's here already.*

*We welcome the Catalyst Fund, the touring philanthropy seminar presented by Michael Kaiser and also the DCMS Jerwood Creative Bursary Scheme.*

We then gave our respondents the opportunity to share thoughts on any additional activities they may have liked to have seen delivered in recent months as part of philanthropy capacity building. We asked,

*Are there any activities in regard to developing fundraising capacities which you would have liked to have seen DCMS/ ACE/ HLF undertake in recent months which have not take place?*

*Greater speed at implementing the Catalyst Funding and a further call to arms for Companies and High Net Worth individuals despite the difficult economic climate. People need to be engaged with the Arts to want to support it.*

*Yes, though this is primarily about those organisations developing their own understanding about fundraising and what this means on the ground, particularly to organisations (and indeed art forms) that don't benefit from the kudos of large buildings, flag ship national companies etc.*

*A matching scheme at a much lower entry point than currently on offer.*

*More practical help with fundraising training, capacity building and technology.*

*Would like to see ACE develop and disseminate knowledge to NPO's based on the successful experiences of other countries (ie USA) in longer term initiatives that encourage private sector giving to charitable cultural initiatives. Would also like to see ACE resume its role in funding advice for non NPO artists and organisations. As they have become very inaccessible to non-NPO clients who now have nowhere to go to be encouraged and seek advice.*

*More funding available to smaller organisations within the Arts. There is a distinct sense that funding is being centralised and offered to larger organisations.*

*Support through new Renaissance programme for major museums without Designated collections. More direct discussion about development of Renaissance programme with museums which are not Hub lead museums.*

*To accept the difficulties of fund raising for the arts in a recession, particularly for smaller non-metropolitan based organisations.*

*Clarity much sooner on the Catalyst scheme*

*More focus on different scale of organisations and different art forms. The one-size fits all approach often leans towards organisations that have traditional ways of earning income i.e. box office sales.*

*A real understanding of where our sector currently sits in terms of expertise and skills gaps would be a good starting point, rather than imposing something on us - one size fits all solution generally fits nobody.*

*Tax breaks for corporate organisations to encourage philanthropic giving (as in the USA) would be a move in a positive direction.*

In concluding our questioning on recent developments on the Catalyst Arts initiatives, we asked,

*Are there any other issues relating to the Philanthropy in the Arts Agenda and its delivery that you would like to raise at this time?*

*It is vital that organisations have enough resources to support dynamic fundraising initiatives. Patron Schemes and Corporate Sponsorship require a great deal of relationship management. The right staff need to be employed and have the right skills to develop these relationships and organisations need to understand that it cannot be done overnight.*

*Business response time is not as fast as the bodies offering schemes anticipate. Funding cut shocks and knowledge requires planned responses not knee jerk reactions and deadlines do not allow for this.*

*Endowments are difficult to establish when other activities have to be cut. Fundraising for un-restricted general funds is already challenging.*

*There seems to be an assumption that 'if you're a good fundraiser people will give you money'. I can see little evidence to support this view in terms of small-ish scale individual philanthropy on a large-ish scale, especially if you don't fit within the notion of a 'traditional' organisation. And let's remember that ACE has been actively encouraging new organisational models for several years now. I'd like to see DCMS/ACE et al do some work on beginning to embed the notion of philanthropy and the arts within the broader national consciousness. Perhaps they have already, or plan to, but the point being that to achieve the kind of culture shift to individual support that, say, the USA has, will take many years.*

*Only that privately-funded art can find itself subject to the whims of rich individuals, which can produce a negative and strait-jacketed effect on creativity. Certain art-forms are more attractive than others (ballet / opera / concert orchestras) to individuals seeking recognition for their investment in the arts. Private funding should be part of a mixed state/ticket revenue model, it cannot replace the state's role, which is unique and worth maintaining. How about the commercial cultural sector paying back into the state arts pot for talent developed by the state?*

*We need to recognise that the Philanthropy agenda in this country is completely different to that of the States and making changes to the way people give, and the reasons why will not happen just because the government wants it to.*

*I do not believe that philanthropy can possibly replace government subsidy in the short or even medium-term. The Government have looked to the US model, yet the US has tax schemes that incentivise giving.*

*All very well for very large, urban organisations but the likelihood of success for small or rural organisations is much more complex*

*It would be interesting if there was an opportunity for arts fundraisers to communicate with Government decision makers in this area. This isn't happening as far as I can see - it is all very 'top down'!*

*We need to learn how to change the British culture of asking.*

*This is a sop which is an ineffective attempt to offer consolation for cuts in funding for the arts which was a tiny proportion of national funding.*

*More information would be good but can see only big organisation being support while us little ones get left behind as always*



*We are struggling to see how we can tap into philanthropy in a cash sense when the majority of people in Gloucestershire have been hard hit by the economic decline and do not have spare funds.*

*Completely irrelevant to orgs like ours in places like this; can only serve to further support the obviously bankable. Works against participative arts in the backwaters.*

*Issues of ethical fundraising do not yet appear to have been integrated into the programme. ie. how arts organisations assess/choose their income sources.*

*We need a clearer idea of how and whether the Catalyst programme will be an effective support for small organisations with low capacity and no history around individual donors.*

*Great if you are a nice showy venue or company, but if you are a small arts agency can't quite see how its going to help.*

*Yes!! North American models of corporate giving and individual philanthropy have grown out of the complexities and relationships which make up North American life....values, aspirations, problems and problem solving and relevance to the social milieu....too much haste or imposition of significant elements of these models/ideas here will have all sorts of unforeseen consequences. We need to develop our own relationships to these issues and this should be seen as the very earliest of days.*

*The details of the schemes mentioned above have been kept secret for some time and it should now be made public who and how funds can be applied for. Many smaller companies need to increase their fundraising capacity now and can't afford to wait.*

*The ability of our company to promote philanthropy in the Arts is directly related to the quality of our infrastructure and our geographical location. Neither of these factors makes us particularly glamorous and makes such work difficult and not particularly productive. The only exception to this is to encourage our loyal supporters and customers into making individual gifts. This is the focus of our activity.*

*Need to be realistic and review developments as the year/next year goes on. Need to see the impact and monitor successes/failures. Need to ask organisations to keep a record of the time they have invested in this area as for some it will be very new - has it been worth it and is it a realistic model?*

*There should be a tax waiver as an incentive to individuals and organisations, trusts etc, willing to support the arts and culture as a Philanthropist*

*Endowments seem relevant only to a small number of large London institutions whose financial security allows them the luxury of seeking "jam tomorrow" whereas most regional organisations are in desperate need of "bread and butter today"!*

*Large scale organisations have greater capacity to attract philanthropists and most seminars have not really included small grass roots projects who understand the limited resources/personnel available to do this work. It is hilarious to see the amount of money the government are now making available to develop philanthropy when they have just made such sweeping cuts! We will never have the same base-line for philanthropy as America without appropriate tax incentives. As a taxpayer I want my money to go to grass root youth & community organisations and not in the pockets of the government for their luxury lifestyles, whilst the general population suffers.*

*Valuing and promoting the use of the arts as development, skills building and competency building tools. Promotion of high quality education programmes using the arts and recognition of the arts contribution to cross policy agendas.*

*It is more difficult for small organisations to engage with this sort of funding.*

*Just to flag that the Government's Year of Corporate Philanthropy perhaps sends unhelpful/ mixed messages about the ways in which companies most usually support the arts i.e. through sponsorship, not philanthropic gifts.*

*More could be done by Government to market or communicate the benefits of philanthropy to corporate organisations / business sector.*

## Update on Impacts of the 2012 Olympics and Cultural Olympiad

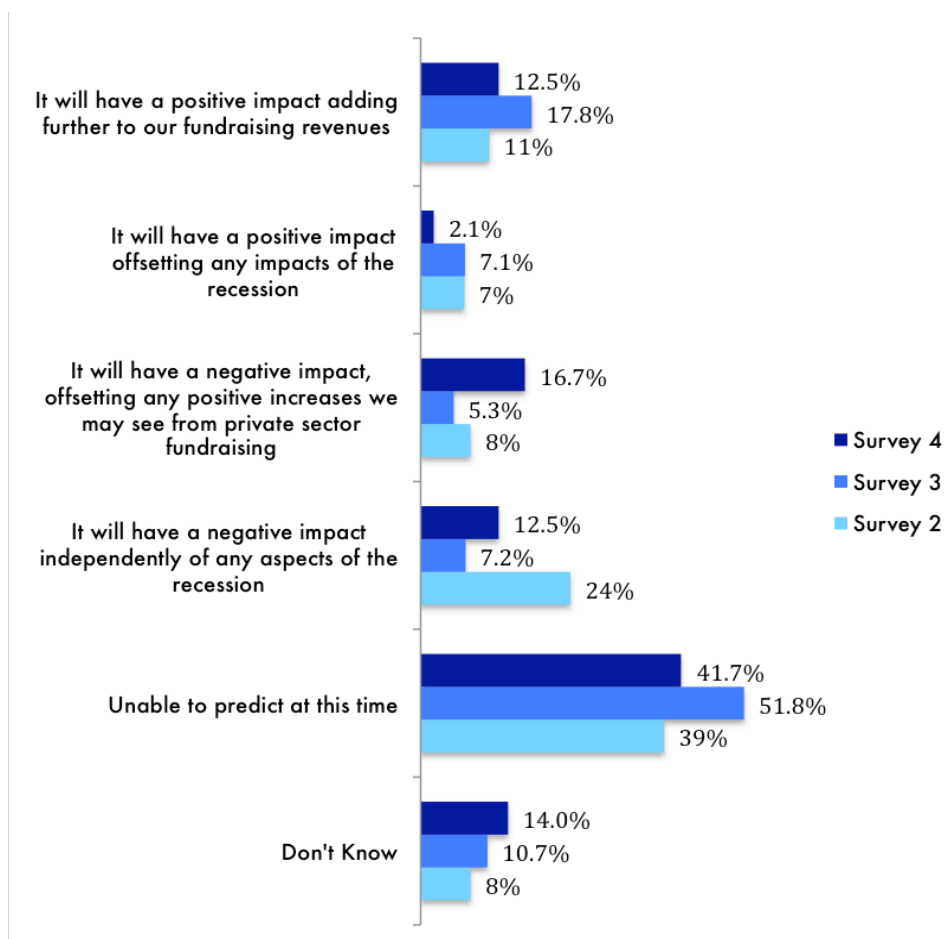
In November 2009, AQ published the findings of its Survey which looked specifically at perceptions of the 2012 Games on the UK cultural sector. We returned to the topic of the London Olympics for the third successive year in the context of the current economic climate.

We asked:

*What impact do you feel that the London 2012 Olympic Games may have on your organization's capacity to generate fundraising income from the private sector (i.e. from trusts, companies and individuals) from now until 2012?*

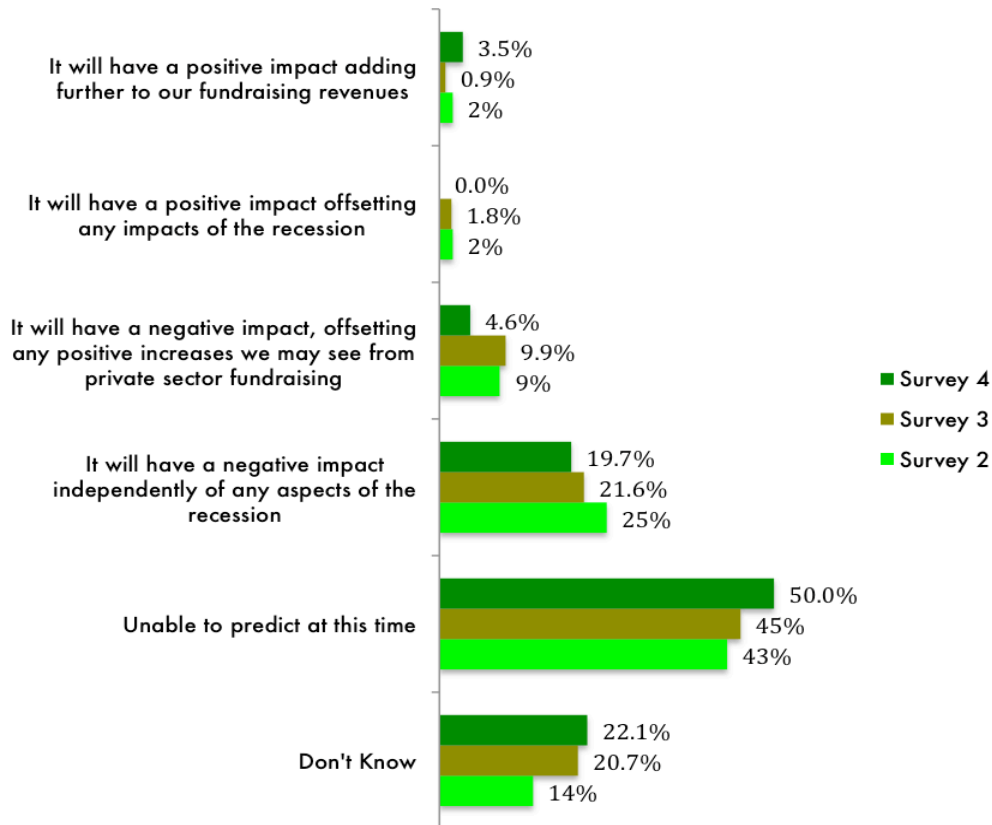
### London-based Organizations

Respondent Profile Survey 2: 201 organizations  
 Respondent Profile Survey 3: 164 organizations  
 Respondent Profile Survey 4: 157 organizations



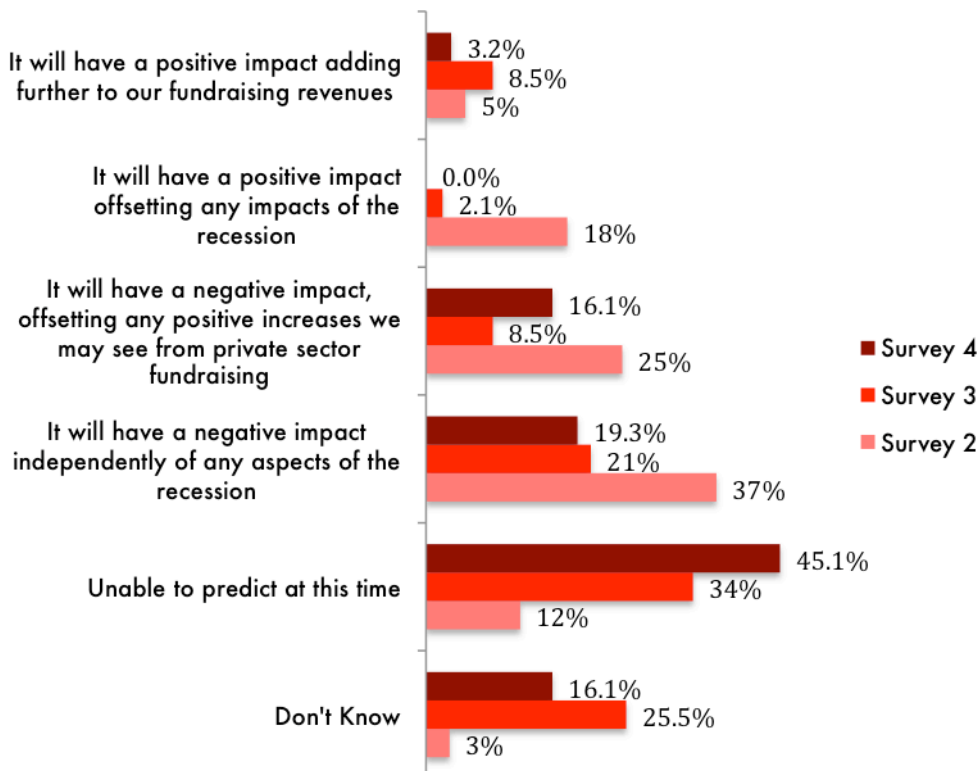
## Rest of UK Organizations

Respondent Profile Survey 2: 137 organizations  
 Respondent Profile Survey 3: 276 organizations  
 Respondent Profile Survey 4: 293 organizations



## Theatre Organizations

Respondent Profile Survey 2: 77 theatre organizations, UK wide  
 Respondent Profile Survey 3: 137 theatre organizations, UK wide  
 Respondent Profile Survey 4: 159 theatre organizations, UK wide

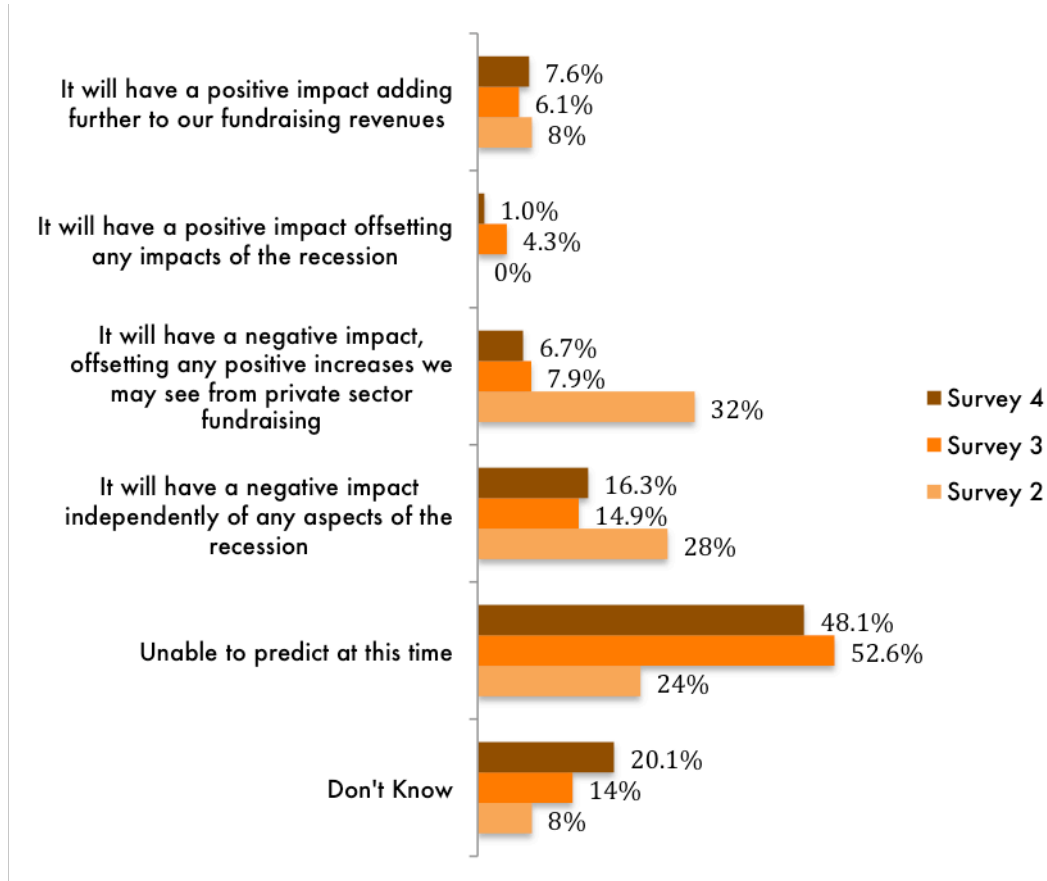


## Other Cultural Bodies

Respondent Profile Survey 2: 164 cultural organizations (non-theatre), UK wide

Respondent Profile Survey 3: 303 cultural organizations (non-theatre), UK wide

Respondent Profile Survey 4: 293 cultural organizations (non-theatre), UK wide

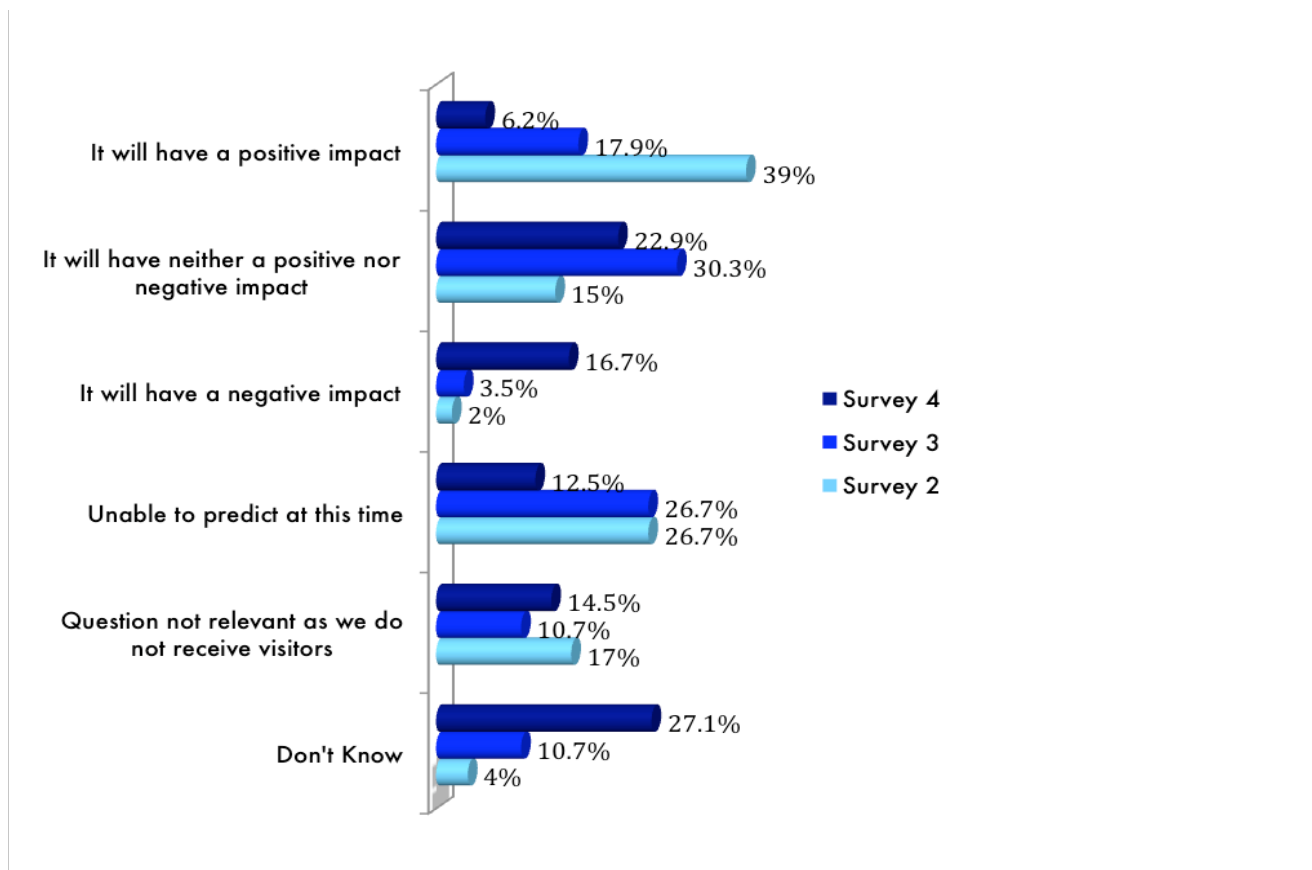


Continuing our questioning around the 2012 Olympics we then moved onto the issue of likely affects on attendances and sought to test out current perceptions, again. We asked:

*Again, thinking about the 2012 London Olympic Games, what impact do you feel that this will have on your organization's capacity to generate greater levels of income from visitors up to and during 2012?*

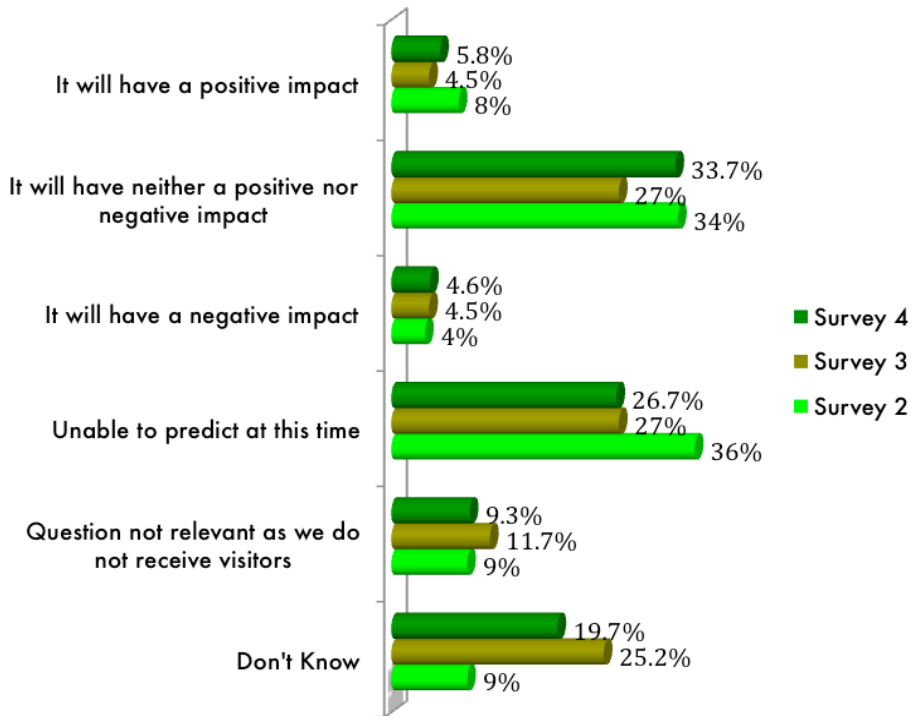
**London-based Organizations**

Respondent Profile Survey 2: 201 organizations  
 Respondent Profile Survey 3: 164 organizations  
 Respondent Profile Survey 4: 157 organizations



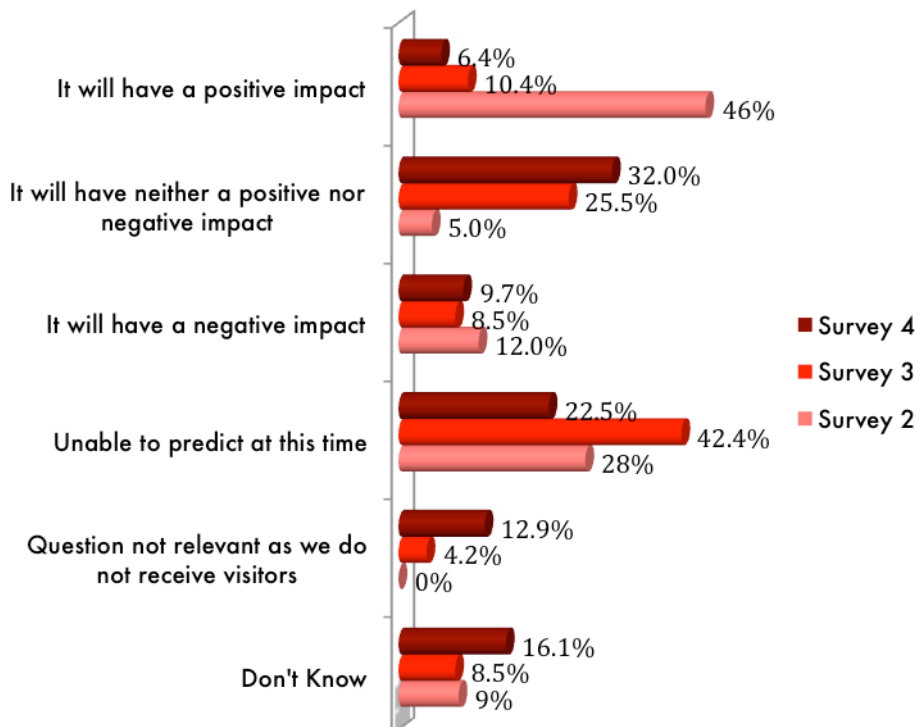
## Rest of UK Organizations

Respondent Profile Survey 2: 137 organizations  
 Respondent Profile Survey 3: 276 organizations  
 Respondent Profile Survey 4: 295 organizations



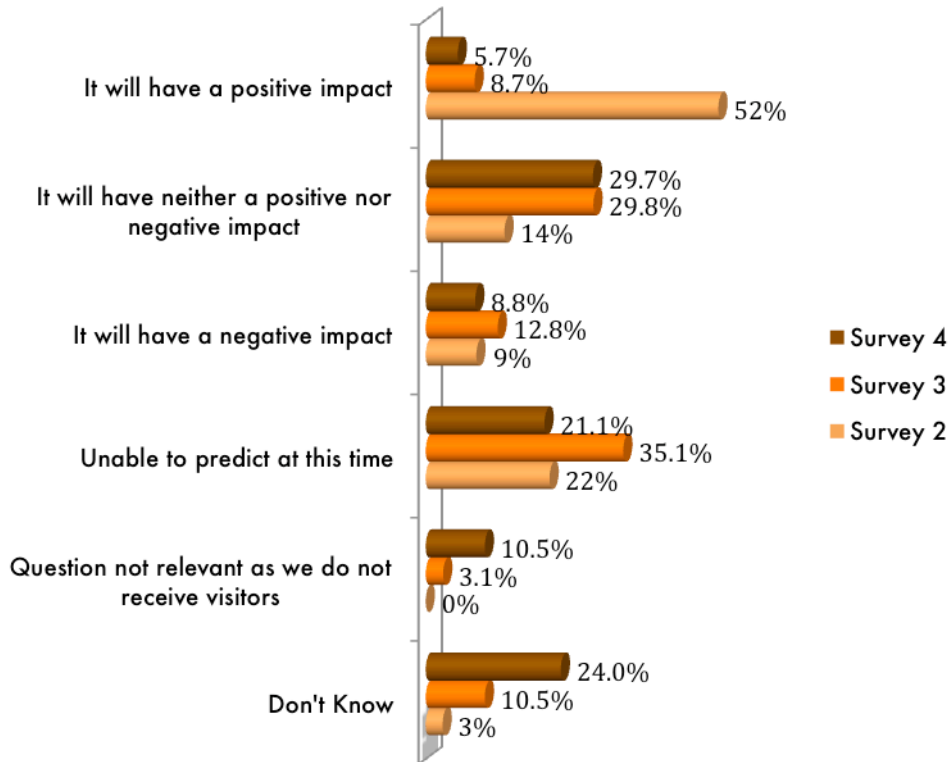
## Theatre Organizations

Respondent Profile Survey 2: 77 theatre organizations, UK wide  
 Respondent Profile Survey 3: 137 theatre organizations, UK wide  
 Respondent Profile Survey 4: 159 theatre organizations, UK wide



## Other Cultural Bodies

Respondent Profile Survey 2: 164 cultural organizations (non-theatre), UK wide  
Respondent Profile Survey 3: 303 cultural organizations (non-theatre), UK wide  
Respondent Profile Survey 4: 293 cultural organizations (non-theatre), UK wide





Our questioning then moved to gather views specifically on the legacy of the Cultural Olympiad. We asked,

*Thinking about the legacy of the Cultural Olympiad, do you think that public desires to engage with the arts beyond 2012 will be:*

### Results by Region and Art Form

Respondent Profile: Theatre Organizations 159, Rest of the cultural sector ('other cultural bodies) 293  
London 157, Rest of UK 295

	London based respondents	Respondents based elsewhere in the UK	Theatre respondents	Respondents from art forms other than Theatre
Significantly improved	0.0%	1.1%	0.0%	1.0%
Marginally improved	25.0%	15.1%	12.9%	20.2%
Remain broadly as before the Games	62.5%	72.1%	77.4%	66.3%
Marginally reduced	0.0%	1.2%	0.0%	1.0%
Significantly reduced	4.2%	1.2%	3.2%	1.9%
No view at this time	8.3%	9.3%	6.5%	9.6%

### Results by Annual Turnover

Respondent Profile: T/O under £250k 112, £251k - £500k 85, £501k - £1m 64, £1m - £5m 134, £5m+ 57

	Under £250k	£251k - £500k	£501k - £1m	£1m - £5m	£5m+
Significantly improved	0.0%	0.0%	5.8%	0.0%	0.0%
Marginally improved	17.5%	13.8%	23.5%	26.4%	6.7%
Remain broadly as before the Games	62.5%	68.9%	70.6%	64.7%	93.3%
Marginally reduced	0.0%	3.4%	0.0%	0.0%	0.0%
Significantly reduced	5.0%	3.5%	0.0%	2.9%	0.0%
No view at this time	15.0%	10.3%	0.0%	5.9%	0.0%

## Survey Respondent Profile

### In which region of the UK are you located?

(Number of Respondents)

East of England	38	South West	40
East Midlands	26	West Midlands	33
London	157	Yorkshire	28
North East	34	Scotland	12
North West	50	Wales	6
South East	30	Northern Ireland	0

### Which of the following options best describes the main artform of your organization?

(Number of Respondents)

Combined Arts (includes carnivals & festivals)	78
Dance	45
Digital Arts	5
Film	1
Gallery/ Visual Arts	52
Literature	9
Multi Art-Form Venue	33
Museum	19
Music	40
Opera	9
Theatre/ Drama	159
Other	2

### Which of the options below best describes your current job title or position?

(Number of Respondents)

Artistic Director/ Curator	28
Chief Executive/ Dep CEO	204
General Manager	38
Director/ Head of Finance	10
Director/ Head of Marketing	18
Director/ Head of Communications	4
Director/ Head of Fundraising or Development	36
Director/ Head of Commercial Development	0
Finance Manager	8
Marketing Manager	28
Communications Manager	10
Fund-raising or Development Manager	44
Commercial Development Manager	2
Other Manager Level Positions	14
Trustee or Board Member	8

What is your current annual turnover?

Under £250,000	24.7 %
Between 250,000 and £500,000	18.9 %
Between £500,001 and £1 million	14.2 %
Over £1m but less than £5m	29.6 %
More than £5m	12.6 %

At present, does your organization currently receive regular funding from the Arts Council, MLA or similar cultural funding body either regionally or nationally (i.e. as a Regularly Funded Organisation or equivalent)?

Yes	84.7 %
No	15.3 %

From 2012, will your organization be part of the ACE National Portfolio of funded organizations or will you be in receipt of funding from an equivalent statutory body?

Yes	68.4 %
No	30.0 %
Don't Know	1.6 %

At the present time, does your organisation undertake any private sector fund-raising (i.e. solicit support from companies, charitable trusts or individuals etc) or seek out commercial sponsorship?

Yes	91.0 %
No	9.0 %

## Author: John Nicholls

John Nicholls founded Arts Quarter in January 2008 – the practice is now regarded as one of the most dynamic in the UK, advising on organizational development, business planning, marketing and fundraising. Alongside these commercial projects, the practice delivers a range of sector-wide research projects under the rubric of AQ Knowledge. These projects seek to gather information from across the UK cultural sector on recent developments and emerging trends of interest to policy makers, funders, the media and above all the sector at large. Alongside these studies, AQ is now called on by clients to undertake a range of bespoke research projects as part of its commercial activities.

John Nicholls has worked as a senior business development, communications and brand professional for a number of arts organizations in the UK and overseas including Shakespeare's Globe where he held the position of Director of Development. He has also worked for the Young Vic, English National Ballet, San Francisco Symphony and The Washington Ballet in similar roles. Outside of the cultural sector he has worked for Friends of the Earth, the Royal Institute of International Affairs and Stonewall, improving the effectiveness of communications and revenue generation activities - taking each of these organizations through significant processes of change to realize their ambitions.

In addition to serving as Managing Partner of AQ, John is a Trustee of the Brighton-based South East Dance. In the past, he has served as a Trustee of the National AIDS Trust, Headlong Theatre, Campaign for Drawing and was Chair of Pacitti Company until 2008.

As Managing Partner of AQ, and alongside plotting the impacts of the global recession on the UK arts community, John has authored a range of other reports on the current state of the UK cultural sector, looking at issues from the impacts of the 2012 Olympics, perceptions of outcomes and manifestoes of the three major political parties in the run up to the 2010 UK General Election and capacities for the sector to engage more actively with High Net Worth Individuals as donors. In March 2011, he gathered and reported views on fundraising capacity building with support from Arts Council England, testing the Coalition's own agenda on the promotion of more wide-ranging philanthropy for the arts.

## Arts Quarter LLP

[www.artsquarter.co.uk](http://www.artsquarter.co.uk)

Arts Quarter LLP (AQ) was founded in January 2008 and now operates across the UK and internationally. Arts Quarter LLP is a community of arts and not-for-profit professionals each with over 25 years of sector-wide experience, committed to creating thriving, innovative and dynamic cultural and wider charitable sectors.

Through our experience and our networks, we bring the expertise to take organizations through a process of change which will allow them to:

- deliver improved revenues,
- develop appropriate staffing and management structures,
- enhance their brands,
- create effective and measurable communications with their stakeholders,

in short, respond to the economic, political and social challenges of the 21st Century.

We seek to challenge conventional thinking within the cultural sector, stimulate discussion, create new ways of working and provide opportunities for learning and professional development.

## AQ's Programmes

### Innovation, Change Management and Capacity Building

Many organizations are concerned about the impacts of change and innovation on their ethics, current business models and their capacities to deliver.

Through our experience, we recognize this and seek to work closely with our clients to manage sensitively and communicate effectively processes of change from functional restructures, to evolution of existing processes, through to Board skills profiling and recruitment.

## Fundraising/ Revenue Generation, Planning and Delivery

Understanding the nature, scale and potential of stakeholder groups from audiences to current and potential supporters to effective senior volunteer management are all vital to sustaining the cultural and not-for-profit sectors. Our work includes:

- Strategic revenue & capital fund-raising planning and implementation
- Supporter auditing
- Improving support relationship management
- Hands-on fund-raising delivery
- Intellectual Property Audit and Management Counselling
- Appropriate Asset Commercialisation and implementation.

## Digital Planning and Implementation

Through our partners as well as our network of associates, we have the capacity to advise and deliver a broad range of digital services appropriate to all scales of budgets and requirements either as part of or separate from meeting organizational marketing, communications and/ or fund-raising needs.

## Event Creative Management and Delivery

We work with a range of organizations within the not-for-profit communities as well as in the wider business world to deliver cultivation and revenue-driven events to enable them to develop their stakeholder relationships and enhance their brands.

With some 40 years of accumulated experience in event planning and delivery, we are well used to delivering high-quality bespoke events for organizations of all scales, recognizing that the effective and detailed management of such opportunities is often critical to evolving brand perceptions and delivering revenue.

## Marketing, Communications and Brand Development

We are called upon by a range of organizations within the not-for-profit communities to help them understand their brand values and evolve the scope and scale of their stakeholder relationships, shift brand perceptions and develop their audiences. Our work includes:

- Stakeholder Analysis & Benchmarking
- Strategic Marketing and Communications planning and delivery
- Internal communications development and implementation.

## AQ Recruitment

Through our venture partnership with Harris Hill, the UK's leading recruitment consultancy for the wider charity sector, we support arts organizations seek out the very best candidates for key fundraising, marketing and senior executive paid posts as well as support them in the recruitment of effective senior volunteers to join Boards and other senior volunteer groups. Harris Hill brings to this relationship the largest bespoke database of its kind of leading professionals of the highest caliber to fill roles in the arts at this time. Arts Quarter brings over 25 year's experience of understanding the requirements of arts organization recruitment.

We offer a 'full-service', relieving our clients of the time-consuming work that may be required to seek out, screen and administer the recruitment process and thereafter we remain on board to support successful candidates post employment as well as provide a sounding board for managers working with newly appointed staff.

## AQ Energy

In the current economic climate and at a time when all cultural organizations are seeking meaningful ways to reduce costs without cutting programming, AQ Energy is helping the arts reduce its energy dependency and costs.

AQ Energy is a joint venture between Arts Quarter and Utility Aid. Utility Aid has been helping organizations in the wider charitable community to manage their energy usage by

- implementing the findings from free energy audits,
- installing over 700 smart meters and helping organisations to manage down their energy costs,
- wholesale energy purchasing.

Since 2002, Utility Aid has managed to reduce not-for-profit energy bills by over £4million.

Recognising the need for arts organizations to manage their energy usage sensitively yet effectively, this joint venture with AQ aims to bring the opportunity to make considerable savings to the arts at a time when all organizations will be seeking to manage down overheads. Arts organisations will pay no direct fees to take advantage of this service.

## For Further Information

[www.artsquarter.co.uk](http://www.artsquarter.co.uk)

## Contact Details

John Nicholls  
Managing Partner  
Arts Quarter LLP  
277 Camberwell New Road  
London SE5 0TF

T: 020 3062 8852

E: [john@artsquarter.co.uk](mailto:john@artsquarter.co.uk)

