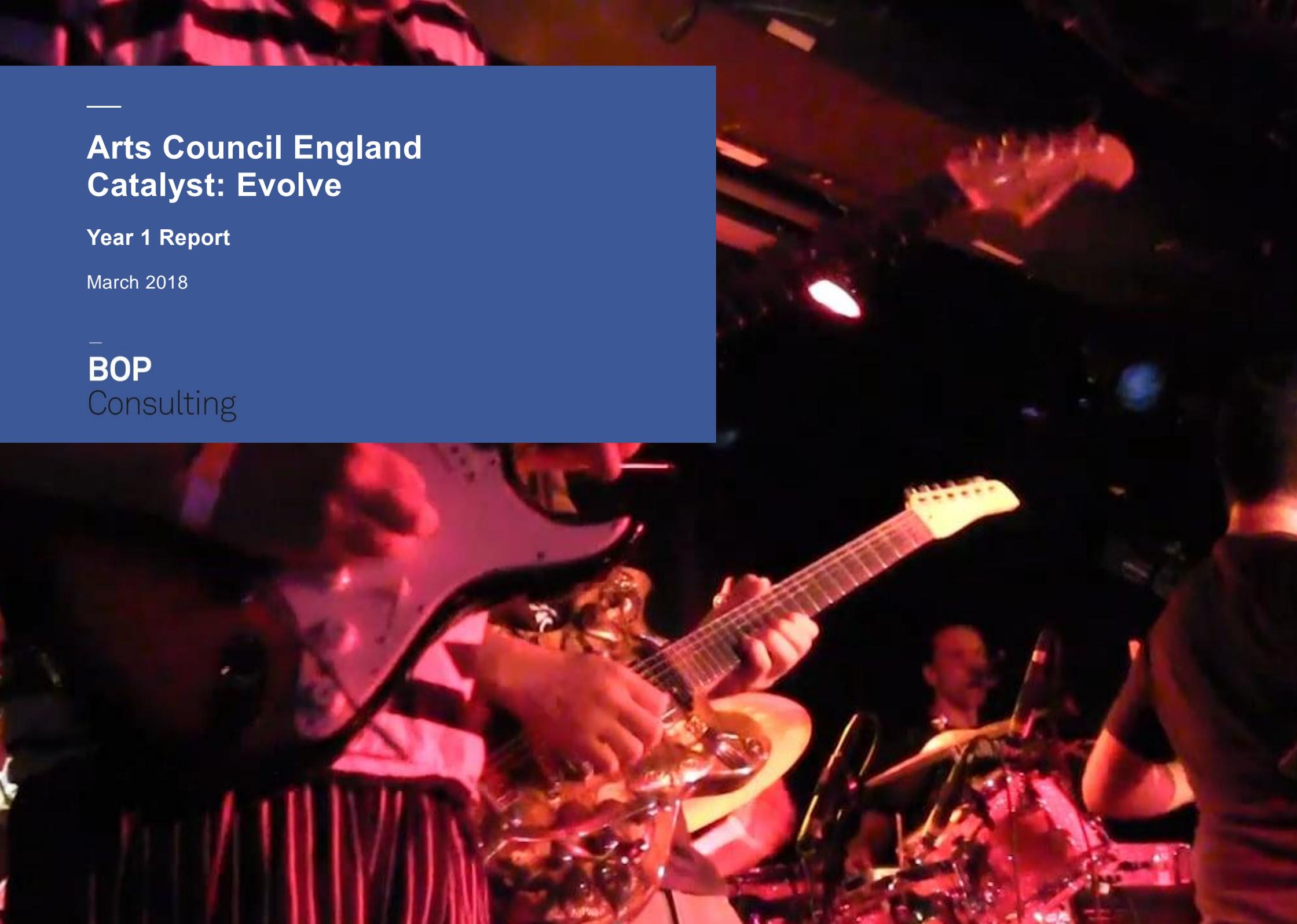

Arts Council England Catalyst: Evolve

Year 1 Report

March 2018

BOP
Consulting



Credits

Written and prepared by

Rossella Traverso, Richard Naylor, Caroline McCormick, Marta Moretto, Joshua Dedman
BOP Consulting

Front image credit: © Creative Common.

Contents

Contents	2
Executive summary	4
Fundraising activities.....	4
Uses of match funding	4
Fundraising systems and information and communication technology (ICT)	4
Fundraising governance	4
Planning	4
Capacity	5
Buy into from the rest of the organisation.....	5
Private income raised	5
Regional differences	5
Feedback on the programme.....	5
1. Introduction.....	6
1.2 Overview and summary of methods	6
1.2 Evaluation framework	6
2. Evolve grantees: Year 1 progress.....	8
2.1 Fundraising activities	8
Stage 1: Identity, capacity and governance.....	8
Stage 2: Research and communication.....	9
Stage 3: Making the ask and cultivation	9
Uses of match funding	10
2.2 Fundraising systems and ICT	10
Membership schemes.....	10
CRM and data gathering systems	11
2.3 Fundraising governance	12

Fundraising planning	12
Fundraising capacity	13
Buy in from the rest of the organisation	13
2.3 Private income raised	14
Individual giving.....	14
Corporate support.....	14
Trusts and foundations.....	14
2.5 Regional differences.....	14
2.4 Feedback on the programme	15
3. Counterfactual case studies	16
4. Year 1 stories.....	17
4.1 Manchester Jazz: Using match funding to incentivise fundraising	17
4.2 East London Dance: Effective fundraising systems.....	18
4.3 Poet and the City: Organising a successful fundraising event	19
4.4 Suffolk Artlink: Strengthening communications and unlocking individual giving	20
5. Appendix	21
5.1 Catalyst: Evolve case study organisations.....	21

Executive summary

In November 2016, Arts Council England commissioned BOP Consulting to conduct an independent evaluation of Catalyst: Evolve, a programme dedicated to unlocking philanthropy and supporting organisations with a limited track record of fundraising. This report is the second written output of the evaluation, covering research between April and September 2017.

Fundraising activities

Our research has identified three fundraising activity stages. These stages tend to be sequential and their progressive uptake indicates the fundraising readiness of grantees. The stages include:

- Identity, capacity and governance: including working to refine the mission and vision of the organisation, increasing fundraising capacity and expertise as well as general awareness of fundraising among other members of staff, including the Board of Trustees. A large group of grantees carried out these kinds of activities, which generated positive organisational developments. This was with the exception of recruitment: some grantees found it challenging to attract fundraising professionals, especially grantees located in the North and in the Midlands. Increasing hands-on support from the Board of Trustees has also been a learning process.
- Research and communication: including reviewing and refining external messaging to promote the organisation externally, elaborating a clear and coherent narrative, strengthening the brand of the organisation, and identifying prospect networks. A medium-sized group of grantees has progressed towards these activities, which have usually worked well, placing organisations in the position to approach donors and make the ask.
- Making the ask and cultivation: including organising fundraising events and campaigns, forging new relationships, making the ask, negotiating and cultivating donors. A smaller group of Catalyst: Evolve grantees has focused on these activities. Organisations in this group typically had a stronger track record in fundraising and/or took part in the previous Catalyst round and/or are based in London.

Uses of match funding

- The grantees that did make the ask to private donors reported that match funding was very helpful, particularly when negotiating with donors.

- Other grantees mentioned they felt they 'had to play the match funding card carefully'. It was felt that communicating the possibility of getting grants matched through Catalyst: Evolve would risk getting awarded a smaller grant, especially when attempting to raise funds from trusts and foundations.
- A significant group of grantees have not yet used match funding. It will be important to explore uses and uptake of match funding in the next stages of the research.

Fundraising systems and information and communication technology (ICT)

Organisations have approached membership schemes and customer relationship management (CRM) systems in different ways:

- Some organisations used their grant to improve their existing membership offers and CRM schemes. Others have set up new CRM and membership schemes from scratch. Both groups consistently reported that developing effective schemes requires time and resources. It was also found that these systems prove more useful if they are implemented after the organisation has developed a strong case for support, strong and consistent messaging, and formulated a realistic prospect list.
- Other grantees contemplated setting one or both systems up but felt they still needed to build adequate knowledge, skills or fundraising assets. Often these organisations are small-sized and based in rural areas and this makes it particularly hard for them to identify suitable fundraising assets.
- Year 1 findings restate how organisations that do not sell tickets or are not based in a venue are finding it hard to gather data that supports fundraising.
- The forthcoming changes in the General Data Protection Regulation (GDPR) stirred questioning and worry among a large group of grantees.

Fundraising governance

Planning

Grantees have partly revised their Catalyst plans during this first year of the programme:

- Many organisations with a stronger track record of fundraising and/or organisations based in London are raising their ambitions.
- Many organisations that had more limited fundraising experience at the start of the programme and/or those based outside London are taking more time to realise their plans.

Capacity

- Several grantees designed new roles and hired dedicated fundraising staff who have already helped to bring forward activities not previously sustainable, and to accomplish better results.
- Some grantees have found it harder to recruit. For these organisations, progress is happening at a slower pace.

Buy into from the rest of the organisation

- Catalyst: Evolve grantees reported that colleagues and their Board are willing to support fundraising but often feel they lack the skills to do so.
- Responsibility for fundraising is growing but is not yet spread across the organisation as much as the grantees would like it to be.
- Creating greater ownership of the fundraising process among the Board of Trustees has proved challenging for organisations of all kinds.

Private income raised

Year 1 findings suggest a set of trends that apply to specific donor categories.

Individual giving

- Several grantees succeeded in raising funds from individuals, particularly 'lower level' donors. Often, these grantees asked individuals for the first time and showed surprise about their positive response.
- Often, grantees had longstanding relationships with the individuals who gave to their organisations.

Trusts and foundations

- Catalyst: Evolve supported most grantees in getting support from trusts and foundations.
- Grantees with a more limited track record of fundraising successfully applied to new and bigger trusts and foundations. More experienced grantees were also able to strengthen their existing relationships, reporting feeling more confident and empowered as a result of the programme.

Corporate

- Corporate income was consistently flagged as the most challenging donor category.

- Grantees that have managed to raise funds from businesses already had a long-lasting relationship with their supporters.

Regional differences

As part of our Year 1 research, we organised four learning sessions in Birmingham, Bristol, Leeds and London. Findings from these sessions highlighted the presence of three differences across organisations in the cohort:

1. Access to fundraising skills: organisations that attended the Birmingham and Leeds session found it particularly challenging to recruit fundraisers and/or Board members with fundraising skills.
2. Degree of fundraising expertise: attendees to the London session showed more confidence and expertise in fundraising processes (eg designing an effective membership scheme, setting up a functioning CRM system, planning realistically, and identifying and approaching donors).
3. Concern about regulations and processes: attendees to the Birmingham and Leeds session reported greater concern about regulations (eg GDPR), programme timelines and processes of match funding.

Feedback on the programme

Grantees feel very positive about Catalyst: Evolve, which helped them to:

- prioritise and create more momentum for fundraising
- build more capacity
- test new approaches
- adopt a more strategic and long-term approach
- incentivise new donors through match funding
- widen and strengthen networks through the learning events

Grantees also highlighted elements that could be improved, including:

- clarity on match funding eligibility and programme timeframes
- a higher degree of peer-to-peer learning and collaboration

1. Introduction

1.2 Overview and summary of methods

In November 2016, Arts Council England commissioned BOP Consulting to conduct an independent evaluation of the Catalyst: Evolve programme.

The programme was launched in July 2016 and represents a £17.5 million investment to support a portfolio of 160 organisations with a limited track record of private fundraising. The programme is designed to build organisations' capacity to attract private giving, and to incentivise them (and donors) through match funding.

Catalyst: Evolve builds on Catalyst, a previous programme dedicated to support fundraising in over 400 organisations across the UK. Running between 2012 and 2015, Catalyst was a £100 million sector-wide investment that supported organisations of different scales, artforms and levels of expertise.

BOP's evaluation assesses the impact of the £17.5 investment against the overarching programme aims. It is also designed to explore good practice in private fundraising, facilitate peer-to-peer learning, and disseminate findings to the wider sector.

Following the baseline report delivered in February 2017, this report is the second written output of the evaluation. It covers:

- four learning sessions, undertaken in Birmingham, Bristol, Leeds and London between May and June 2017
- six case study interviews with Catalyst: Evolve grantees undertaken between July 2016 and September 2017
- four 'counterfactual' interviews with organisations that applied to the Catalyst: Evolve programme, but were not awarded a grant

The full details of the case study and the counterfactual case studies can be found in the Appendix.

1.2 Evaluation framework

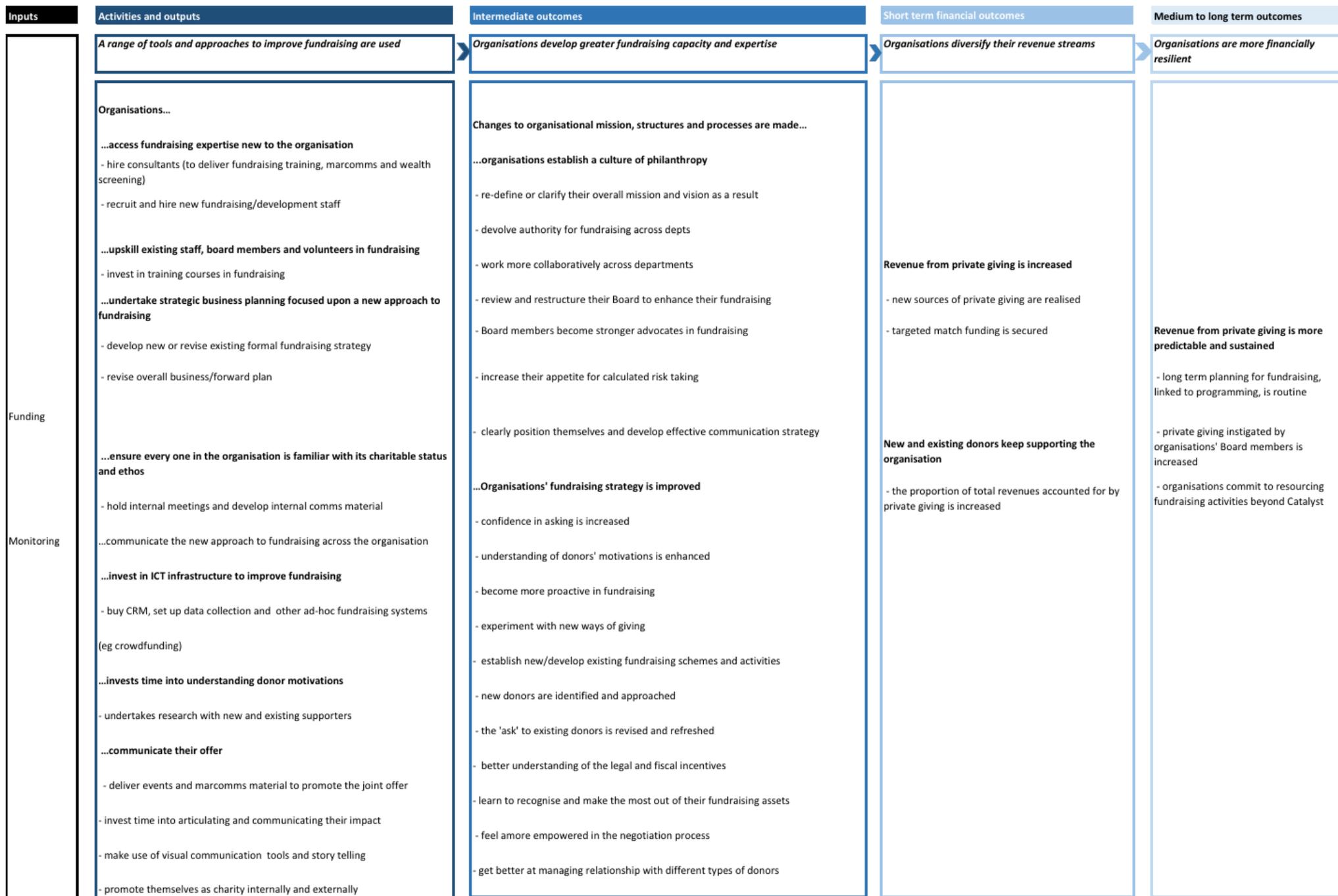
The Catalyst: Evolve programme aims to help arts organisations to:

1. develop fundraising skills and capacity
2. attract more private investment
3. promote knowledge and expertise about arts fundraising and private giving more widely

One of the first tasks of the evaluation was to understand what activities and processes of change need to take place for Catalyst: Evolve grantees to successfully realise the programme aims. These activities and processes are visualised in the logic model below.

Beyond the set of activities and processes that organisations can undertake themselves, we also consider a wider set of contextual factors that are likely to influence the performance of organisations. These include specific organisational characteristics and other resilience-oriented initiatives, as well as external factors such as tax incentives, the fundraising policy framework, and broader economic and environmental factors.

We refer to the logic model and to these contextual factors to evaluate the experience of grantees in Year 1. While we would not expect to see all organisations undertaking all the following activities, it would be concerning if organisations were reporting not having undertaken any of the activities in the logic model.



2. Evolve grantees: Year 1 progress

This section analyses the Catalyst: Evolve programme to date, drawing from six case study interviews with grantees and from data collected at four learning days attended by a total of 112 Catalyst grantees. Further details about the case study organisations can be found in the Appendix.

2.1 Fundraising activities

Our research has identified three fundraising activity stages:

- Identity, capacity and governance: internal activities that have an internal focus such as designing an effective fundraising strategy, increasing fundraising capacity and expertise in the form of formal and informal meetings and training sessions, promoting fundraising internally, refining the mission and vision and the case for support, and investing in ICT infrastructure to improve fundraising.
- Research and communication: internal activities that have an external focus, including reviewing and refining external messaging to promote the organisation externally, strengthening the brand of the organisation, embedding fundraising into communication materials and communication channels (including the website and other point of sales), carrying out prospect research, working with consultants to identify relevant networks, and carrying out research about new and prospective donors.
- Making the ask and cultivation: this relates directly to externally focused activities that involve direct interaction with private donors, such as organising fundraising events and campaigns, facilitating donations at the point of sales, making the ask and negotiating, and designing cultivation strategies for existing supporters.

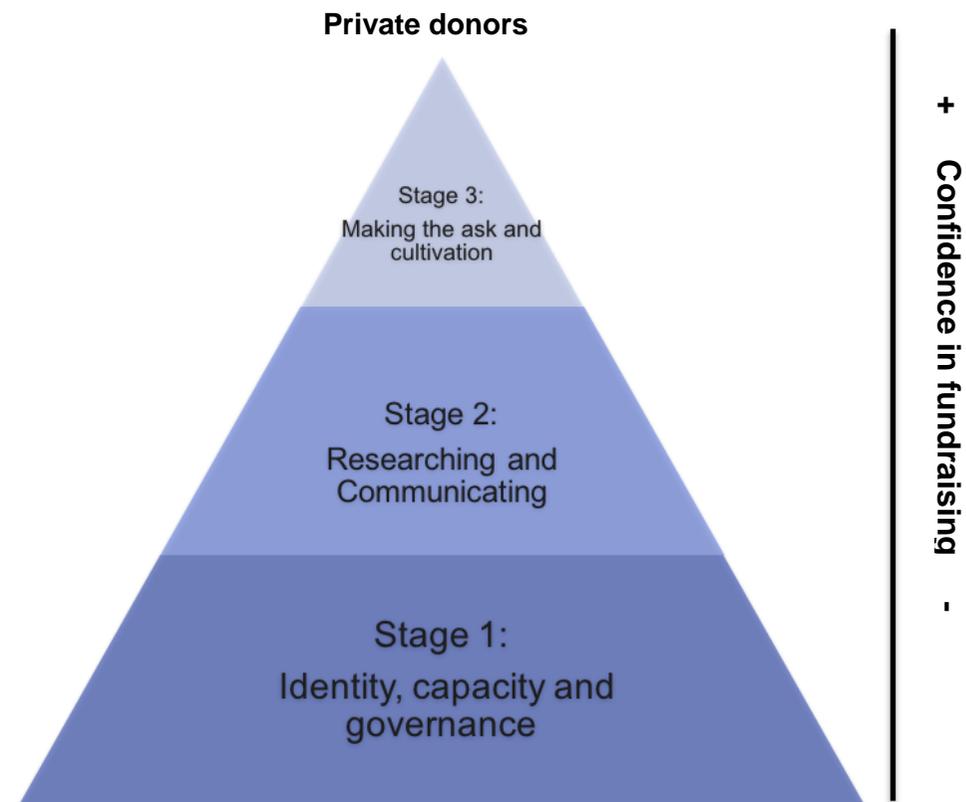
The progressive uptake of these three stages indicates the fundraising readiness of Catalyst: Evolve grantees (Figure 2). As with all models, the picture is a bit more complicated than the pyramid structure presented in Figure 2, as the boundaries inevitably are a little blurred. Nevertheless, it is a useful heuristic to present a quick overview of the progress of the Catalyst: Evolve cohort after 15 months.

Stage 1: Identity, capacity and governance

A large group of grantees focused on Stage 1 activities, especially organising away days, formal and informal meetings to discuss their mission and vision and their case for

support, as well as promoting fundraising in-house and setting up training. Some grantees have spent time on improving their ICT infrastructure as will be discussed in section 2.2. Overall, these activities have generated positive organisational developments such as increased confidence among the team, greater ownership of the fundraising process and greater levels of know-how and expertise.

Figure 2: The three-staged fundraising journey of Catalyst: Evolve grantees



BOP Consulting (2018)

The following quotes illustrate the kind of activities and outcomes associated with Stage 1:

One of the first things we did was to plan an away day with all the team to take time and collectively think about fundraising.
(Bristol learning event attendee)

Since getting Catalyst, fundraising has become a fixed item on our Board meeting agenda...you need that structure to progress and facilitate that cultural shift.
(Leeds learning event attendee)

We have commissioned a consultant to come and deliver Board training. That went really well, and our Board was more confident and enthusiastic when taking part in our annual fundraiser.
(London learning event attendee)

The initial phase entailed a lot of work on our case for support, and a lot of training of all sorts, including training for us [core team], for our Board, for the rest of the team. We really tried to test our offer as well as our language, and also to really nail down who is it that we are trying to reach.
(Case study organisation)

We have been focusing on defining who we are and what we do, what are our aims, aspirations and how do we achieve these. We have done some work with a consultant before getting Catalyst and Catalyst has helped build upon this – we have sought to define what we think is quality in our work, and we then generated new brand content and guidelines. This has led to a shift within the organisation as a whole, not just fundraising.
(Case study organisation)

The single activity that proved very challenging within this initial stage is recruitment: organisations, and especially those working in the Midlands and in the North, found it really challenging to attract and recruit fundraising expertise. This is illustrated in the quotes below:

We tried recruiting but no one got back to us.
(Birmingham learning event attendee)

We recruited someone, but then they left three months later. It is hard to compete in terms of salaries.
(Leeds learning event attendee)

I am constantly getting asked for work because there are not enough fundraisers out there. It is an issue.
(Case study organisation)

Stage 2: Research and communication

A medium-sized group of grantees has worked on fundraising research and communication. Catalyst: Evolve Year 1 provided an opportunity to improve grantees' marketing, branding and external messaging. Many organisations elaborated new fundraising narratives and refreshed their website to make it more fundraising friendly. Some organisations worked with consultants to identify relevant prospect networks.

We've been doing a lot of work in messaging, branding, change literature, wording, to reiterate the messaging in different ways.
(Case study organisation)

We developed a speech that the Chief Exec makes at every performance, telling the story of who we are, what we do and why. It has really increased confidence amongst the team.
(Bristol learning event attendee)

We have been trying to gain a better understanding of our impact as an organisation and we have worked to weave that into our case for support.
(Leeds learning event attendee)

Stage 3: Making the ask and cultivation

A smaller group of grantees have focused on Stage 3 activities. These donor-facing activities seem to have been typically carried out by: those organisations that had a stronger track record in fundraising and/or that employed an experienced fundraiser (eg Black Country Touring); those who had already taken part in the previous Catalyst funding round (eg Manchester Jazz); and by those based in London (eg Poet in the City).

We secured linkages with new trusts and foundations, we were more confident as a result of being awarded Catalyst. Rather than putting in a cold bid, we were able to pick up the phone and speak to funders, to be more proactive. It really helped.
(Case study organisation)

We're currently in conversations with a major broadcaster interested in music development in the area – the Evolve story has been at the front of the conversations.
(Case study organisation)

We organised a very successful fundraising event, which exceeded our target. We were also able to bring in a consultancy to build a partnership with different brands and organisations, to talk about our work, although this is work in progress and it is still early days. We have also invested in a piece of research which will feed in fundraising and marketing and hopefully help us to improve communication activities and our overall strategy.
(Case study organisation)

We started by thinking about who our audiences are, who would be willing to support us, and how. We then launched individual giving initiatives. This has worked quite well – people responded well; we feel that the strategic thinking was really important.
(London learning event attendee)

Uses of match funding

Experiences and uses of match funding have been mixed. The grantees that did make the ask to private donors reported that match funding proved to be a very helpful tool, particularly when negotiating with donors. However, other grantees mentioned they felt they 'had to play the match funding card carefully' – this was especially important when fundraising from trusts and foundations, as in the case of Black Country Touring.

We have had some unexpected successes this year in really telling the 'match story' to higher level individual givers. That has been a real weakness of us previously and something we're becoming increasingly better at when speaking to current and potential funders, telling them that pound to pound match story up front.
(Case study organisation)

One of the biggest lessons for us is that match funding is a really great asset which can really act as a driver and needs to be used strategically.
(Case study organisation)

Having a larger capacity helped us to apply to new trusts and foundations. The match funding worked as an incentive and motivated them to give.
(Case study organisation)

When I discuss with trusts and foundations, I don't often talk about match funding because they might be giving me less than I apply for. I don't want it to be a handicap – some don't necessarily know what Catalyst: Evolve is.
(Case study organisation)

However, a number of grantees, and especially those attending the Birmingham, Bristol and Leeds events, reported that they still have not used match funding to incentivise new donors to give. This might be because these grantees are still focusing on the capacity building strand of the programme and are yet to approach donors and make the ask. Alternatively, it might be due to the fact that they have not fully grasped the potential of match funding as an incentive to give. It will be important to explore how and to what extent organisations have used match funding in further stages of the research.

No, we haven't really used it (match funding), I don't think we are quite there yet.
(Birmingham learning event attendee)

The biggest takeaway of the day for me is: use match funding! I had not really thought about that before!
(Bristol learning event attendee)

2.2 Fundraising systems and ICT

The systems that organisations put in place to facilitate fundraising typically include membership schemes, customer relationship management (CRM) systems, and other data gathering strategies.

The Baseline Survey, whose results were published in the first report of the Catalyst: Evolve evaluation, showed that the take-up and usage of fundraising systems varies across the cohort and that organisations based in London and the South East were more likely to have functioning systems in place (figures 3 and 4).

The experience gathered through this year's qualitative research is consistent with this mixed picture, as explained in further detail below.

Membership schemes

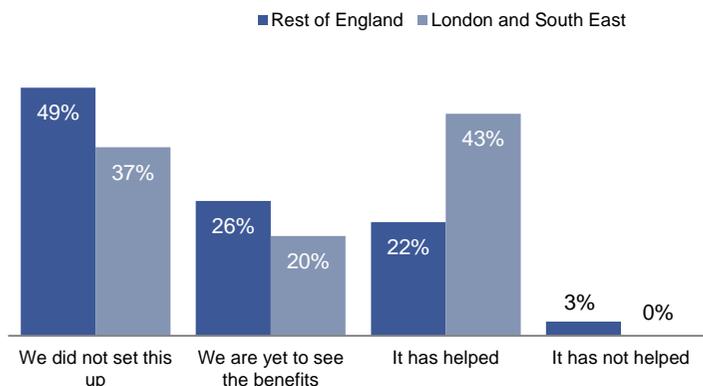
Membership schemes have been at the forefront of our discussions with grantees. Beyond those that did not plan to set up a membership scheme, we have identified three activity groups:

1. Grantees that have revised and improved an existing membership scheme, some of whom have used match funding to improve the attractiveness of their schemes (see section 4).

This year we've decided to add a third tier to our friend scheme – £25, £50 and now £100 too. If we get that 50, that 50 becomes 100. This has worked so well,

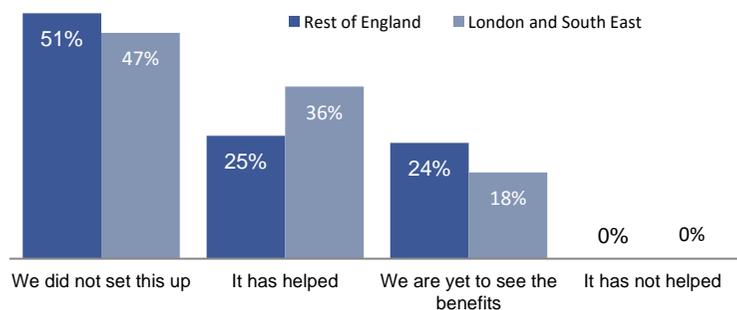
and our membership scheme is now generating much more revenue than before. Before now, we kept this story [match funding] too much within the organisation, when in fact it's really appealing to the donors too. (Case study organisation)

Figure 3: Use of membership schemes, by geography



Source: BOP Consulting (2016)

Figure 4: Use of CRM schemes, by geography



Source: BOP Consulting (2016)

- Grantees that have set up a new membership scheme. Both these case studies flagged how developing an effective scheme requires significant time and resources. They also highlight how these systems prove particularly useful if they are implemented after the organisation has developed a strong case for support, strong and consistent messaging, and formulated a realistic prospect list.

We are developing a new patron scheme, that will be launched very soon. It took a bit longer than expected. (Case study organisation)

Building on groundwork on the previous funding round, in the first year of Catalyst: Evolve we designed a Supporter Circle, which is a multilayer scheme, so in the first layer we have 'friends' which is a low-level scheme and we charge £35 and then we have a three-layer patron's scheme, 'bronze', 'silver' and 'gold'. This allowed us to build a framework for individual giving – the donate button on our website now signposts individuals to our Supporter Circle's page, showing all the benefits. We are now able to track our donors and try to move people up at different levels. We are now doing cultivation events to promote it – it gave us a real framework on which to build on. (Case study organisation)

- Grantees that aspire to set up a membership scheme but have not yet done so because they feel they lack the necessary assets to develop an attractive offer and/or the capacity and skills to run these schemes effectively. A large group of learning events attendees fall into this group, showing great interest in best practices around building successful schemes. It is worth highlighting that some organisations in category 3 are small-sized and based in rural areas and are facing particular challenges in identifying suitable fundraising assets.

CRM and data gathering systems

Like membership schemes, organisations that worked on CRMs can be split into three categories:

- Grantees that already had a CRM pre Catalyst: Evolve. Several of these grantees reported how the extra capacity afforded by the grant helped them improve the way they use their existing CRM system, making it more effective.

2. Grantees that have used their Catalyst grants to set up a CRM. Of these, some have been able to reap major benefits from the onset, while others underwent a phase of initial challenges but have subsequently managed to make their CRM more effective.

Through Catalyst: Evolve, we have been able to strengthen our internal infrastructure, including setting up a CRM system to support fundraising. That has definitely structured our approach for stewardship. It's not a really intense system like Tessitura, but everyone has to feed into it and contribute. In this way, it led to a bit of a culture shift – everyone is now more involved in fundraising. Beyond this, it dramatically changed the way we manage relationships, we have been able to monitor who supports us, and to tailor communications. We are also able to pull out reports and relevant information, such as the number of artists we support, the number of shows we have. This enables us to tailor our case for support according to whom we are targeting.

(Case study organisation)

We have recently got a new one. Initially, we've had problems, as to how to collect data, how to store it, but it is now getting better. We have started to charge a small entrance fee at events, and this is helping us in gathering data on our audiences and visitors.

(Case study organisation)

We set up a CRM, we are yet to see the full benefits, but this is already helping us to act and think strategically.

(London learning event attendee)

3. Grantees that have questioned the usefulness or viability of CRM systems and/or feel they lack the necessary capacity to run this properly. GDPR was also flagged as an important barrier to building a CRM.

I would like to set up a CRM, but I am really not sure about how we would go about managing it or making it effective...I am conscious of making an investment which won't pay off.

(Bristol learning event attendee)

As to other data gathering systems, findings from Year 1 highlight issues related to know-how in organisations that do not sell tickets as part of their business model or are not based in a venue. Discussions about data gathering also flagged issues around GDPR.

It would be very useful to have contacts and speak with similar non-venue non-ticketed organisations, to understand how they do data management. It seems

that we need a bespoke system, and this could be designed together. It's not important what artform they do.

(Case study organisation)

We have pressed pause [on trying to gather data] because we don't want to do anything wrong.

(Birmingham learning event attendee)

2.3 Fundraising governance

Fundraising governance covers both the formal and informal organisational processes that support fundraising, including formulating a clear fundraising strategy, building enough capacity to support fundraising, and establishing a culture of fundraising in which specialised and non-specialised fundraising colleagues, as well as the Board of Trustees, understand their fundraising roles and responsibilities.

Fundraising planning

The Catalyst: Evolve programme required all grantees to design a detailed fundraising plan as part of the application process, hence most grantees had already set clear targets and goals at the onset.

In Year 1, grantees have partly revised these targets, either to make them more ambitious, or to make them more realistic as a result of their experience post award. More specifically, organisations with a stronger track record of fundraising, including those that took part in the previous Catalyst round and organisations based in London, are now raising their ambitions, as illustrated by the quotes below.

Accordingly, organisations with more limited fundraising experience, and those based outside of London, are taking more time to realise their plans.

The Evolve programme has really made us ask ourselves how we can raise our ambitions a bit. We are talking about higher level givers and the corporate sector; do we have an offer that those people want to engage with?

(Case study organisation)

The biggest lesson for us is that it [private fundraising] really is a possibility – we have managed to raise funds from individuals and to hit our target! We will try to go beyond our target next year and really see what we can do.

(Case study organisation)

We thought we would have been able to do more in the first year, but we haven't really. It does take time.

(Birmingham learning event attendee)

The biggest lesson for us is just how much time it takes – we have hit our target, but we haven't carried out nearly half of the capacity building activities we planned to – this was mainly due to high turnover amongst our staff – but I feel we also need to be more realistic with our plans. It was really reassuring to hear how much organisations have done at the Catalyst learning day – it helped us understand we are doing well all together.

(Case study organisation)

I am nervous about not hitting our Year 1 target but getting ready has taken a lot more time than we thought.

(Bristol learning event attendee)

Fundraising capacity

Some organisations did manage to design new roles and hire new fundraising staff. These new members of staff have already played a pivotal role, helping to bring forward activities that were not previously sustainable and to accomplish better results. On the other hand, the organisations that have not succeeded in recruiting reported that progress is happening at a slower pace.

Having a dedicated person to look after our fundraising and marketing made a real difference to us.

(London learning event attendee)

We have hired someone to cover a post that was not present before: a communication and development manager who is working three days a week.

(Case study organisation)

We've used the Catalyst fund also to hire a developing assistant and train other members of staff: they went to a national fundraising convention. [...] Having that extra capacity meant that we were able to put in applications to a higher number of trusts and foundations and to tailor our ask to different donors – we are always interested in individuals that sponsor social impact, but these conversations take time.

(Case study organisation)

When we finally recruited somebody their skillset was considerably lower than the one suggested by the post. We are now training the new hire but this is taking

much more time.

(Birmingham learning event attendee)

Buy in from the rest of the organisation

If the Baseline Survey showed good levels of responsibility, engagement and confidence in fundraising among the organisation as a whole, the picture painted by our Year 1 research is more nuanced.

A large group of grantees reported that their colleagues and their Board are willing to support fundraising: colleagues or Board members are no longer ideologically resistant to fundraising, and this represents a shift from the landscape we assessed in 2014.

Nevertheless the hands-on engagement of these non-fundraising colleagues and Board members is still relatively low. Findings show that responsibility for fundraising is not yet as spread out as grantees would like it to be and that devolving ownership and authority for fundraising across the organisation requires significant effort. This is because colleagues and Board members are willing to help but don't feel they possess enough fundraising skills to do so.

Creating ownership of the fundraising process among Board members represents a priority for most grantees; nevertheless it is not a straight forward process. The learning sessions highlighted a high degree of interest about good practices related to Board engagement.

We had quite a big change on the Board, there is an acknowledgment that they should be supporting, yet I don't think they have any confidence as to how or why I don't think it's a matter of interest, but I feel there is a lack of competences and skills. They were involved in commenting on our draft application for the Evolve; they recognise that diversifying our income is a priority. But they need to learn how to help us and we need to take them to the practical side of fundraising.

(Case study organisation)

Our Board is very supportive of the fact that we fundraise, but they don't really engage yet, I feel we need to give them something practical to which they can hold on to. Also, there isn't a culture of giving – I feel that's an important part of getting them engaged.

(Case study organisation)

Empowering our Board is definitely a challenge for us.

(Bristol learning event attendee)

We are looking to recruit a new Board champion with fundraising skills to engage our Board.

(Leeds learning event attendee)

2.3 Private income raised

Our research methodology in Year 1 did not include a quantitative analysis of private income raised, which will take place at later stages of the research. However, our Year 1 findings point to a set of trends that apply to specific donor categories. It will be important to explore and test them throughout the next stages of the research.

Individual giving

Many grantees managed to gain financial support from individuals, especially when they organised events and/or took time to explain why they needed support. Individuals who gave to the organisations were mainly low-level donors, ie individuals whose donations were typically between £1 and £50. Often, these individuals already had a relationship with the organisation, but were never asked to support it. These findings suggest there might be untapped potential within individual giving.

The biggest lesson for us is that it [fundraising] works, that there is a potential income stream, especially from individuals. We know that there is: now it is all about finding the right way to reach that income.

(Case study organisation)

It is worth noting, however, that organisations that secured support from individuals often seem to have a longer track record of fundraising, including experience in individual giving fundraising. This is exemplified by the stories of Poet and the City and East London Dance (section 5). Both these organisations substantially exceeded their individual giving targets, but this was achieved through formulating a stronger ask to existing supporters and amplifying their existing donor base.

Corporate support

Corporate income was consistently flagged as the most challenging donor category. According to several grantees, businesses do not show a high willingness to engage in new sponsorship or partnership packages. Grantees that have managed to raise funds within this category typically had previous relationships with businesses, as illustrated by the Manchester Jazz case study (section 4). Not surprisingly, learning events attendees were particularly interested in how to effectively unlock this donor category.

We find corporate sponsorship difficult, as probably everyone is saying to you. What we are trying to do now is to offer to businesses a one-day residency of artists in local businesses. They are not asked to give financial contributions, but we are doing this hoping that they could become supporters in the future.

(Case study organisation)

The other key partnership related to Evolve is our work with our city's Chamber of Commerce. We've recently moved [January 2017] to be within their building. So we now sit within a network of thousands of our city's great and good. We add value to them by having an unusual business in their portfolio, and we gain from the benefits of the network, as well as their sponsorship. As co-sponsors of our VIP lounge, it allowed them to host their guests there. The Evolve story was right at the front of this pitch, to great effect.

(Case study organisation)

Trusts and foundations

Catalyst: Evolve is supporting a large group of organisations to reach out to trusts and foundations. Grantees with a more limited track record of fundraising successfully applied to new and bigger trusts and foundations. More experienced grantees were able to strengthen existing relationships and forge new ones, reporting feeling more confident and empowered as a result of the programme. A small group of grantees reported having reached saturation within this donor category.

2.5 Regional differences

The four learning events suggest that differences amongst regions do exist, with different regional groups showing different levels of know-how, expertise and attitudes. These findings are drawn from the discussion and issues raised in each regional session and so might be particular to those groups in the room. Nevertheless it is important to note them and to explore them during the next stages of the research. The main challenges we identified are:

1. Access to fundraising expertise. Attendees at the Birmingham and Leeds sessions found it more difficult to identify and hire fundraisers and/or Board members with fundraising skills than those in London and Bristol.
2. Attitudes towards fundraising. Attendees at the Birmingham and Leeds sessions showed greater concern about regulations, programme timeline and processes of match funding. Attendees at the London and Bristol sessions showed a more proactive and can-do approach.

3. Fundraising competences and skills. Attendees at the Birmingham, Bristol, and Leeds sessions showed lower confidence and understanding of fundraising processes, such as designing an effective membership scheme, setting up a functioning CRM system, planning realistically, and identifying and reaching out to donors than attendees at the London event.

2.4 Feedback on the programme

As in the previous funding round, most grantees feel very positive about the programme. It was felt that Catalyst: Evolve provided an opportunity to prioritise fundraising, to test new approaches and to plan for longer timeframes – and in a more structured way.

I really like that it's so open and that you can spend the grant on what makes more sense to you.

(Case study organisation)

What Catalyst: Evolve has done is give us some money to play with that we would not have had otherwise (unless taking from reserves). It has given us the time and space to be able to test approaches. [...] the application process was quite detailed and enabled us to come up with a fundraising plan, something we haven't done in the past.

(Case study organisation)

The match funding element and the possibility to meet other organisations at the learning events also helped.

The match funding has just been an incredibly helpful feature. And what has been helpful is also that shared learning format [the learning event]. Following the first learning event, we have set up a peer network with other organisations in our area. In addition to growing our network we aim at organising forms of collaborative training. We can bring in consultants and share costs.

(Case organisation)

We love the learning event idea.

(Case study organisation)

However, grantees have also highlighted elements that could be improved. In particular, they consistently raised issues related to clarity on match funding eligibility and programme timeframes. Some grantees also mentioned that they would appreciate more opportunities to collaborate and learn from their peers, enquiring about the possibility of establishing online networks and knowledge sharing platforms.

The pay schedule of the programme is quite restrictive for us, given our frequent cash flow issues, which is quite normal for small businesses. Also, we're finding that more and more funders are paying out in instalments, so not getting those matching chunks as before – which again can cause an issue if you have a tight deadline for claiming the match.

(Case study organisation)

It would be very useful to have contacts and speak with similar non-venue non-ticketed organisations and understand how they do data management. It seems that we need a bespoke system, and this could be designed together. It is not important what artform they do.

(Case study organisation)

3. Counterfactual case studies

To understand the impact of Catalyst: Evolve, we need to assess what would have happened if organisations did not get awarded funding. Are organisations outside of Catalyst experiencing a similar development journey? How are they progressing towards fundraising activities and outcomes?

To answer these questions we turn to the experience of four organisations that are the subject of counterfactual case studies, ie organisations that applied for Catalyst: Evolve but were unsuccessful. The quotes in this section are anonymised due to confidentiality.

The counterfactual organisations that took part in our research had different profiles, as shown in the Appendix. However, the set of challenges and opportunities they mentioned was similar and included:

- urgency to raise more income in the context of local funding cuts
- the need to secure enough capacity and expertise to raise funds from the private sector

Moreover, two of them had some track record of raising funds from private sources, and the other two had almost no experience.

For the counterfactual case studies organisations, Catalyst: Evolve would have allowed them to: 1) build internal capacity and expertise to support fundraising; 2) hire consultants to expand the organisations' networks and carry out prospect research; 3) apply to a greater number of trusts and foundations; and 4) grow individual giving through organising events, launching campaigns, getting a CRM system, and setting up membership schemes.

*Beyond having additional funds to employ a fundraiser in-house, full-time, we had longer-term goals that we thought the funds could support. We know longer term that our funds from our local authority will continue to diminish, and so Catalyst was to help us to bring in a more diverse range of incomes, especially through trusts and foundations, as well as high net worth individuals.
(Counterfactual case study organisation)*

Three of the four counterfactual case studies organisations have been able to make very little progress against these aims, as they felt they lacked enough capacity and skills.

*We just couldn't bring our plans forward. We were going to hire a dedicated fundraising member of staff but we could not and as a result we accomplished very little.
(Counterfactual case study organisation)*

*We've worked with the consultant, but we haven't managed to work as we wanted towards trusts and foundations. We've literally brought her in for a day to overlook our National Portfolio Organisation application, that was unsuccessful. But without the additional capacity that the money would have brought us, we cannot do it.
(Counterfactual case study organisation)*

*In the aspirations that we put together for Catalyst: Evolve, individual giving was the priority, but we have not had time and resource to address that. What we find difficult is that we have a huge output; the challenge is finding the time to do it. Catalyst would have enabled us to put someone in place to develop that income stream, so we now need to do it alongside other important tasks. We have a lot of ideas (eg fundraising events) we would like to host, but the time is what is stopping us.
(Counterfactual case study organisation)*

One organisation is still bringing its Catalyst plan forward, but at a much slower pace.

*We still plan to continue with most of the plans we laid out in our Evolve application, as they came out of a robust research and evidence gathering process into the local and regional market, as well as our own longer-term strategies. The clear difference is just how long it's going to take us to achieve these plans.
(Counterfactual case study organisation)*

Considering future plans, many counterfactual organisations feel they do not have enough resources to plan strategically. It will be important to revisit the experience of these organisations in 18 months' time, as these case studies highlight the critical role Catalyst can play in breaking the deadlock around fundraising in smaller organisations.

4. Year 1 stories

4.1 Manchester Jazz: Using match funding to incentivise fundraising

Context

Manchester Jazz Festival is a 10-day celebration of fresh and innovative contemporary music that takes place across Manchester at the end of July each year. The festival is 22 years old and has just become a National Portfolio Organisation. Having a good track record of securing funds from public and private trusts and foundations, the festival is eager to raise more funds from individuals and businesses.

These fundraising ambitions motivated Manchester Jazz to apply to the previous Catalyst funding round, which they were successfully awarded. Through the support of Catalyst, the festival did manage to sign several partnerships with corporates and to grow individual giving. Catalyst also enabled the festival to learn important lessons such as cultivating relationships and keeping the Board of Trustees engaged.

Catalyst: Evolve now provides a chance to keep up the good work and to consolidate and grow a diverse portfolio composed of philanthropic revenues of individual giving, corporate sponsorship, and trusts and foundations. To meet its objectives, the festival plans to improve internal systems and processes, strengthen their communications, deepen relationships with existing supporters, and identify new opportunities for funding.

What has Catalyst: Evolve supported in Year 1?

From the onset, Catalyst: Evolve enabled Manchester Jazz to think and plan strategically. The festival reviewed what they could offer to new and existing donors, working to raise their ambitions and strengthen their case for support. During this time, the festival identified match funding as an attractive fundraising asset and decided that the match story was to be included in key fundraising propositions, and in key communications to donors of all kinds.

A good place to start was the festival's Friends scheme. Beyond improving the design of the scheme (by adding a third layer) the festival started to use match funding as a driver to motivate new and existing friends:

If we get that £50, that £50 becomes £100. We're becoming increasingly better at speaking to current and potential funders, telling that pound to pound match story

up front.

(EJ Trivett, Director of Development and Operations)

In addition to speaking up about match funding when talking to donors, the support page of the Manchester Jazz website now clearly explains that the Arts Council will match every pound given with a pound of Arts Council money. According to the festival, this led to some unexpected wins as it was higher level members in particular who have been most receptive of the 'pound for pound' message:

Did you know that your contribution can make twice the impact, as we are currently recipients of a pound matching scheme? The Arts Council England Catalyst Award will match your donation £1:1, meaning that you make double the difference.

(EJ Trivett, Director of Development and Operations)

As well as motivating individuals, Manchester Jazz used match funding as a lever to engage corporates. This year enabled the festival to nurture important relationships with Manchester Chamber of Commerce and with new corporate donors within the broadcasting industry. According to Manchester Jazz, Catalyst: Evolve and the opportunity to get match funding has been at the forefront of their conversations with corporates, to good effect.

Finally, match funding further enabled Manchester Jazz to consolidate and strengthen relationships with some of their most longstanding trusts and foundations.

What key lessons can be learned?

The case study of Manchester Jazz well illustrates how, if used appropriately, match funding can become an important driver of support and an important tool to cultivate and nurture long-standing relationships. In this sense, match funding is a precious and limited resource, which should be used wisely.

It's important that the match story is told, instead of just the quick discount on ticket sales; we need to really get them on board and make them feel ownership of their investment. This is how you ensure longer-term support. The biggest lesson in our first year is how Catalyst: Evolve is an important mode of communication that can trigger very positive responses when approaching donors.

(EJ Trivett, Director of Development and Operations)

4.2 East London Dance: Effective fundraising systems

Context

East London Dance is a creative producer and creative talent incubator of creative dance located in Stratford and working across East London and beyond. Founded over 30 years ago, the organisation is now undergoing a time of rapid growth catalysed by the rising momentum of dance in East London. In these exciting yet challenging times, East London Dance feels there is a pressing need to strengthen their profile and diversify their income to stay relevant, sustainable and competitive.

We know major organisations are moving into the area, and we don't hold the same national visibility. We also feel we reached our capacity for trust and foundation fundraising, and, at the same time, we are eager to secure unrestricted funding from individuals.

(Ben Cooper-Melchior, General Manager, East London Dance)

East London Dance was part of the previous Catalyst funding round, together with three other dance organisations (Dance4, Merseyside Dance and Dance Manchester). During the previous funding round, East London Dance was able to strengthen its profile, secure training, work on its case for support and improve its fundraising systems.

Catalyst: Evolve now provides an opportunity to use the foundations built during Catalyst and fundraise from a diverse range of donors, including individuals and corporate partnerships.

What has Catalyst: Evolve supported in Year 1?

Catalyst: Evolve enabled East London Dance to move forward on several fronts, including appointing a new fundraising role (Partnerships and Development Manager), updating their list of prospects, strengthening their fundraising communication strategy and identifying opportunities to cultivate new and existing donors through a new annual cultivation plan.

Further to these important first steps, East London Dance was also able to design and launch a highly successful Supporters Circle, which contributed to smashing their £2,400 individual giving target for Year 1.

According to East London Dance these successes rely heavily on the well-researched and planned fundraising infrastructure and systems they put in place within both Catalyst: Evolve and the previous Catalyst funding round.

Within the first Catalyst funding round we did a lot of work on our case for support and underwent a lot of training. This year we continued this work and carefully reviewed our marketing and communications, really working to test our language and proposition. However, we felt we lacked a framework, a structured offer to attract individual giving. Our new, tiered scheme enabled us to fluidly engage a range of prospects to build that framework: the donate button on our website now signposts individuals to our Supporters Circle page, showing all the benefits. We are now able to track our donors and we will try to deepen relationships and move donors up through the different levels. It gave us a real foundation on which we can build.

(Ben Cooper-Melchior, General Manager, East London Dance)

To prepare for the launch of the Supporter Circle, East London Dance also undertook significant print and web development, developing a 'support us' page in tandem with a 'support us' brochure, and enabling giving by a mobile browser through CAF Donate and PayPal. East London Dance also aligned systems to claim Gift Aid in a more systematic and effective way.

The launch of their Supporters Circle was matched by a holistic, cost-effective and sustained work on marketing and communications review, including a brand refresh and new logo, new brochures and leaflets, and the charity's first PR strategy.

Finally, East London Dance explained how their Year 1 successes are also underpinned by their new CRM and the robust administrative process they put in place to effectively manage relationships with existing beneficiaries and new supporters.

Our CRM initiated a cultural shift in our organisation. We developed a system that is easy to manage and allows the whole staff team to get involved with fundraising. We use it to track a variety of donors and create relationships, as well as collating data about our impact with artists and participants which helps us to strengthen and adapt our case for support.

(Pauline Etim-Ubah, Partnerships and Development Manager)

What key lessons can be learned?

The story of East London Dance shows how, when appropriately designed and implemented, fundraising systems can be pivotal in securing support and managing and cultivating relationships. However, appropriate design and implementation takes time

and these systems are particularly useful if they are implemented after the organisation has developed a strong case for support and strong and consistent messaging within a strong communications strategy, and formulated a realistic prospect list – groundwork that East London Dance had initiated in the previous Catalyst funding round.

4.3 Poet and the City: Organising a successful fundraising event

Context

Based in London, Poet in the City produces classic and contemporary poetry performances, experiences and conversations taking on major ideas, issues and people. They showcase biopics, use poetry to animate cultural moments and create dramatic poetry experiences in major arts venues and unusual spaces. Prior to receiving Catalyst, Poet in the City had only two full-time employees. Nevertheless, they deliver a huge amount of work – around 50 events a year, with audiences that regularly exceed 300 people. Poet in the City is currently undergoing a time of transition and change, including growing its talent development programmes and exploring national opportunities. The organisation has identified a clear growth path, of which private fundraising is an important part.

Poet in the City were awarded National Portfolio status in 2012, and the organisation already had experience of fundraising from individuals and corporates before applying to Catalyst: Evolve. But while their internal capacity sufficed to test approaches, it was felt that more capacity was needed to create a sustainable approach, which led to Poet in the City successfully applying to the programme.

What has Catalyst: Evolve supported in Year 1?

Poet in the City built more capacity through hiring a third team member. The three team members now all share responsibility for fundraising, which is releasing capacity elsewhere. They have been able to carry out new fundraising activities such as organising a Board training session, hiring a PR consultant to shape and support delivery of their corporate partnership strategy, and commissioning an audience survey to inform their communications and fundraising strategy. The team also identified and applied to new trusts and foundations, successfully securing their first grant from a trust – a business that gave £10,000 and numerous individual gifts.

Beyond these new activities, Poet in the City also worked to upscale initiatives they were undertaking pre-Catalyst: Evolve. This includes a bigger scale annual fundraising event, which proved very successful in 2017, raising £23,000 against a target of £15,000.

The success of the event was driven by the increased capacity of the team, the significant support from the Board of Trustees, and a more creative approach.

In the past, we carried out a similar event, which went well, but left us a bit worn-out as we had made it up as we went along and the CEO had shouldered most of the responsibility. This time it was so different – we had so much fun doing it! We felt the event was a much better representation of our actual work, rather than a 'gala formula', and we staged something immersive and theatrical which helped us to gain lots of new supporters. An interesting and unexpected result was that the constraints of a fundraising event presented new creative challenges, so much so, that we tried out new formats which we'll be bringing into our main programme. We were also more confident as a result of having more support from Act!V, our consultants, and all of our Board members who attended and brought guests – this was essential to us.

(Isobel Colchester, Chief Executive Officer, Poet and the City)

What key lessons can be learned?

Organising fundraising events can often be challenging and resource intensive. Securing enough capacity to run the event is essential, but deploying a creative approach can also enhance the possibilities of success. Events can also be an important opportunity to generate momentum about fundraising and to increase internal confidence and engagement in fundraising at all levels, from assistants to the Board of Trustees.

The main lesson from Year 1 is that successfully increasing capacity in turn creates another stretch to grow; as our opportunities for growth have increased, so has our momentum. Our strategy is as a result, even more ambitious than before, which is right for where we're at, but we'll need to continue to create the thinking space to plan for this.

(Isobel Colchester, Chief Executive Officer, Poet and the City)

4.4 Suffolk Artlink: Strengthening communications and unlocking individual giving

Context

Suffolk Artlink is a participatory arts charity that delivers professional artist-led projects for disadvantaged and marginalised people. Working with other care, education, voluntary and community organisations, Suffolk Artlink delivers access to creative practice to improve the quality of life of people of all abilities.

Prior to Catalyst: Evolve, Suffolk Artlink had a good record of fundraising from small trusts and foundations but was eager to continue to diversify its income, initiating individual and corporate fundraising, with ambitions to target larger trusts and foundations. Catalyst: Evolve was hence seen as an opportunity to realise these goals, while helping the organisation to raise its profile, test new approaches and pilot new fundraising systems.

What did Catalyst: Evolve support in the first year of the programme?

Recognising how effective communication is essential to fundraising, Suffolk Artlink first used Catalyst: Evolve to review its mission and vision, its brand and its messaging. As a non-venue based organisation, the Suffolk Artlink team feels that defining a clear organisational identity and defining effective messages is even more of a priority:

We realised pretty quickly that we couldn't ask for money from people if they didn't know who we are and what we do. The nature of our work is hidden, as we are an organisation without a visible service. I have realised that even some of the participants did not know who we were as an organisation! In the past, we didn't think this was a problem, but when we started to think about how to raise more income we realised that it was.

(Alex Casey, Co-Director, Suffolk Artlink)

To put its plan into place Suffolk Artlink used part of its Catalyst: Evolve grant to appoint a new Communications and Development Manager. Together with an external consultant and the Board of Trustees, the Communications and Development Manager formulated clear messages about Suffolk Artlink's mission and vision and generated brand guidelines that reflected the organisation's values. To further consolidate Suffolk Artlink's brand, the Communications and Development Manager also created more content, including short blogs about Suffolk Artlink's initiatives, artists and participants.

As a result of their communications review, the Suffolk Artlink team now feels more confident and empowered when approaching donors of all kinds. This helped the organisation to achieve some initial unexpected successes, including raising their first £1,000 from a fundraising event hosted by the families of their members of staff, who volunteered to raise funds for the charity.

The event was attended by the staff, friends and families. That was the first time we asked them for money and we raised £1,000 in one day. [...] The biggest lesson for us is that we can really do it, that it is possible to fundraise from individuals and businesses – we have met our first year target, we were not sure it was really going to be possible.

(Rachael Murray, Communications and Development Manager)

What key lessons can be learned?

The experience of Suffolk Artlink highlights how fundraising works best when the organisation can really tell its story of what it does and why, developing a clear narrative and a distinctive brand identity. Beyond engaging new and existing donors, effective messaging is also an important resource to build confidence among the staff and volunteers, providing them with a useful springboard from which they can make 'the ask'.

5. Appendix

5.1 Catalyst: Evolve Year 1 case study organisations

Organisation	Artform	Location	Turnover
Newlyn Art Gallery	Visual arts	South West	£500,000 - £750,000
East London Dance	Dance	London	£250,000 - £500,000
Manchester Jazz Festival	Music	North West	£250,000 - £500,000
Black Country Touring	Theatre	West Midlands	£250,000 - £500,000
Suffolk Artlink	Combined arts	Yorkshire and The Humber	£100,000 -£250,000
Poet In The City	Literature	London	£100,000 - £250,000

5.2 Counterfactual case studies organisations

Organisation	Artform	Location	Requested amount
Organisation A	Theatre	West Midlands	£100, 000 - £250,000
Organisation B	Dance	London	£100,000 - £250,000
Organisation C	Non artform specific	Yorkshire and The Humber	£100,000 - £250,000
Organisation D	Visual arts	South West	£100, 000 - £250,000

Arts Council England

The Hive

49 Lever Street

Manchester M1 1FN

Email: enquiries@artscouncil.org.uk

Phone: 0845 300 6200

Textphone: 020 7973 6564

artscouncil.org.uk

@ace_national

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

Charity registration no 1036733

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

To download this publication, or for the full list of Arts Council England publications, see artscouncil.org.uk

ISBN: 978-0-7287-1571-4

© Arts Council England, January 2017

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

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



