

Case study

Fundraising on a shoestring at The Watermill Theatre, Newbury

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“This rural idyll has quietly become one of the most admired and influential theatres in the country. In the past five years it has transferred more shows to the West End than any other theatre in Britain.” Daily Telegraph

If you have not yet been lucky enough to visit The Watermill Theatre, you could be forgiven for thinking that a theatre of just 220 seats in the countryside outside Newbury, Berkshire, must be of purely local interest. The quote above should put you right – it is one of the powerhouses of British theatre production and touring which in 2005 was awarded two Tonys for its Broadway production of *Sweeney Todd*.

And yet it is indeed a rural idyll! The theatre was converted in the early 1960s from a former watermill on the banks of the River Lambourn and occupies barely more than that beautiful old building and a few outhouses, surrounded by the Berkshire countryside. A visit to the website at www.watermill.org.uk will give you a good idea – better still, visit the theatre itself! The establishment of the theatre and the energy for its development as a producing organisation came from its founders, Jill Fraser MBE and her husband James Sargant.

The Watermill manages to achieve its worldwide theatrical success, run an ambitious educational programme and run the theatre itself with Arts Council and local authority grant support amounting to just 20% of its £1.5m annual turnover. The rest is earned from ticket sales, income from touring, other sales (it has a lovely restaurant!) and, of course, from fundraising.

The fundraising story of The Watermill was, until recently, not as impressive as the rest of its achievements. Susan Foster was appointed as the theatre’s first professional fundraiser in 2000 (she had previously been Director of Development at the Oxford Playhouse) at a time when corporate sponsorship amounted to around £40,000 per annum, mainly from small local businesses, with little other fundraising. The Phone Room had run a small telephone fundraising campaign in 1999 directed at the Theatre’s audience which proved very successful, but the response overwhelmed the Theatre’s small administrative team and, when Susan arrived the following year, she found piles of unacknowledged and un-recorded donation forms and letters. In fact, the telephone campaign led the Theatre to the twin realisations that fundraising for The Watermill could be very effective but that it could not be managed properly without professional input.

When she began with The Watermill in 2000 Susan set her sights on putting proper systems in place for administering donors and donations, on increasing sponsorship and on telephone fundraising to secure individual donations. Recently, trust fund research and applications were stepped up with the help of a small local agency.

Administration was sorted out by recording all donations on a comprehensive spreadsheet and by flagging donors on the Theatre’s ticketing system. Regular donations are checked bi-annually against bank accounts and problems discussed with the donors concerned. Gift Aid

is reclaimed annually by the Finance Department after liaison with Development. This system works, but is rather jury-rigged and wastes a great deal of time in administration. Susan is in no doubt that the best solution would be to install a dedicated fundraising software package such as Raiser's Edge or Progress.

By 2006 corporate income had increased to over £100,000 per annum including a corporate club, training, A&B awards, and support for touring as well as presentations in the theatre itself. There is a much wider range of companies involved. In the same period regular giving increased to £35,000 per annum with additional single gifts of around £10,000 when each telephone fundraising campaign (run more or less annually) of around 1,500 telephone contacts is undertaken. Trust fund income for revenue has risen to around £30,000 per annum and overall the target for revenue fundraising is £250,000 in the financial year 2006-07 (just under 17% of total turnover).

This five-fold increase in revenue income is impressive in itself, but it has been achieved at the same time as The Watermill has been running a £3m capital appeal! This Appeal has been the focus of a great deal of high-level individual fundraising which is described below.

The Watermill's Appeal is unusual in that it involves the sale of the Theatre building itself by its owners and founders, husband and wife team Jill Fraser and James Sargent, to The Watermill Theatre Trust, which runs the theatre's operations. Their dilemma was that, having put all their own money into buying and converting The Watermill in the 1960's, Jill and James needed to sell the building in order to be able to release their life savings so they could retire. Of the £3m Appeal target £1.7m was the agreed sale price with a further £1.3m for capital improvements.

The Appeal was first discussed in 2003 and work began in earnest in 2004. The Theatre initially took advice from Iain McMullan, a fundraising consultant specialising in capital appeals. Susan Foster explains that the consultant's advice was valuable, especially in relation to the structure of an Appeal Board, but that his main value had been in persuading the rather anxious members of the Theatre's main Board that the Appeal could and probably would succeed. Susan explained, rather wryly, that the Board felt more confident hearing this from a man in a suit. After the Board agreed the strategy for the Appeal the consultant withdrew, as had been agreed, and Susan Foster took on the task of running the Appeal.

As a first step the Theatre's ticketing database was wealth-screened by The Factory and, later, by Charity Consultants (the same raw data was screened through two different systems since they use different data sets and, although there is a strong overlap, more prospects in total can be identified). Prospects uncovered by the screening fed into private meetings during 2004 designed to uncover potential members of the Appeal Board and/or major donors.

Many of the names brought out by the wealth screening were already known to The Watermill, but by no means all. In fact, the person who eventually became Chair of the Appeal Board was discovered in this way. Ralph Bernard is CEO of CGAP Media (formed by a merger of Capital Radio and Great Western Radio) and had formerly led the Appeal to build the new Great Western Hospital in Swindon and had been involved with plans to build a new theatre in Marlborough, Wiltshire, where he lives. Although he had attended The Watermill as a paying customer (and it transpired his daughter had appeared in Watermill Youth Theatre shows) he was not known to the Theatre and initially did not attend cultivation events. Eventually, however, a meeting was arranged and it became apparent that he would make an ideal Chair for the Appeal Board. In his turn he persuaded his friend Andrew Tuckey, formerly Deputy Chairman of Barings plc, a former Director of the Royal Opera House and a trustee of the Esmée Fairbairn Trust and now Director of Bridgewater Finance, to become Deputy Chair of the Appeal Board. Together these two recruited the remaining members of the Appeal Board, some from existing contacts of the Theatre and some from the prospect list generated by wealth screening.

The Appeal was formally launched in 2005 and is planned to finish in 2007. There are no benefits in exchange for donations, but there are opportunities for recognition; donors of over £150,000 are offered a small plaque in the area where their donation is directed and those who give over £300,000 are offered a naming opportunity. The Development Office does make a point of ensuring donors and prospects are well serviced. For example, Development holds four seats for all performances until one week before the show and can make these available to donors, although this is not formally promised and cannot be guaranteed.

The Theatre is committed to a high level of donor care and is keen on donor recognition, but Susan Foster describes benefits as “a recipe for disaster.” She does not believe they attract more or higher gifts and they bring administrative and Gift Aid problems, as well as adding unnecessary cost.

The Development Director is clear that the key to the success of the Appeal so far (it is on target) is the network of personal relationships which she and the Appeal Board have developed. She makes no distinction between corporates, trusts and individual donors in this respect; a private donor may also help unlock funds from the company he or she chairs, or may be friendly with the trustees of a family trust fund. Personal relationships underpin the bulk of the income for the Appeal, supported by ‘routine’ trust applications and audience fundraising by telephone.

One unusual aspect of The Watermill’s Appeal is that Susan Foster, the Development Director has taken a much more active role in developing relationships than would normally be the case, or than she expected. Because the Appeal will financially benefit the founders and leaders of the Theatre, Jill Fraser and James Sargent, they felt unable to involve

themselves in fundraising. In their absence Susan became the personal face of the Theatre in dealings with potential and current supporters. She feels this was inevitable but not desirable, although she does not feel it has hindered the Appeal since everyone can understand the unusual position of the Theatre's founders.

Not all members of the Appeal Board are large-gift donors, but all are involved in making links to wealthy individuals, and to personal contacts at companies and trust funds. Some people who are very active and helpful in the fundraising effort do not wish to become members of the Appeal Board. An exclusive event to be held at a private country house in the autumn of 2006 is designed to bring on more major donors. There will be a performance of a Watermill new-writing production to emphasise the Theatre's commitment to nurturing new talent. Invitations will be issued personally by the Appeal Board and other well-connected supporters.

The Appeal is mentioned in every season brochure, in every programme, on the Theatre's website (where a donation can be taken by credit card) and there are separate leaflets available in the foyer. The plan is to continue fundraising into 2007 and finish with a 'last push' including a telephone campaign to all audience members and to previous lower-level donors. There have been no mail campaigns due to lack of resources. So far around 2,500 people have made donations to the Appeal.

"Lack of resources" is somewhat of an understatement. Susan Foster had no assistant until spring 2006 (one Board member noted that the Theatre had "shot itself in the foot" in not providing support in the Development Office), there is no fundraising software, leading to the wasting of a great deal of the Development Director's time, and the Development office is itself little bigger than a cupboard in what looks like a garden shed (all staff suffer the same lack of space and new offices are a crucial part of the improvements to be paid for by the Appeal). That the Theatre can maintain a revenue fundraising programme of £250,000 per annum and at the same time run a £3m capital appeal under these circumstances is little short of miraculous!

Donors of £20 or more are automatically enrolled in the Friends programme, the Theatre's main audience-relationship programme. There are no ticket-related or other financial benefits to the Friends (so there are no Gift Aid problems) but its members receive information and invitations to tours, talks and similar events. The intention is that, once enrolled in the scheme, donors will be encouraged to renew and so maintain an involvement with The Watermill well beyond the end of the Appeal.

There is a sad note to this story: in February 2006 Jill Fraser, the Theatre's Artistic Director and Executive Director and, as we have seen, its co-founder and co-owner, died, leaving a gap in the lives of those who knew her and in the management of the Theatre. The Appeal continues.

Learning points

- It is possible to raise large amounts of money with relatively limited budgets
- However, a strategic approach is needed, taking a view over several years
- The key to fundraising success lies in the development and management of personal relationships
- Good administration is essential for any kind of fundraising
- Some elements of fundraising can be outsourced, in this case telephone fundraising and 'routine' trust applications
- The main Board of The Watermill was hesitant over the Appeal and a separate Appeal Board was essential. Members of the Appeal Board are now joining the main Board which lends authority to the Appeal Board and increases the confidence of the main Board.
- The lack of a fundraising database and assistance in the Development Department were financially unnecessary, given the sums being raised, and have made fundraising more difficult.
- Wealth-screening was extremely useful, but only when the prospects uncovered were then followed up appropriately and rigorously
- Benefits are not necessary to secure gifts