

Bethan Jenkins AC/AM
Chair, Culture, Welsh Language and Communications Committee
National Assembly for Wales
Cardiff Bay, Cardiff
CF99 1NA

16 January 2018

Dear Bethan,

Thank you for your letter regarding the Arts Council's support for fundraising programmes, and our experiences of them. To give proper context it is worth setting out the time line and trajectory of our work. Our work in this area is grounded in Goals 3 & 4 of our ten year strategy "Great arts and culture for everyone", published in 2010.

2012-15 investment round

In 2012, in response to the DCMS' philanthropy initiative, £70million was assigned to Arts Council England to establish **Catalyst Arts**. This programme was focused on benefiting arts and cultural organisations in England. Between 2012 and 2015 Catalyst Arts focused on supporting the sector to grow the amount of income from private sources. It did this in two ways:

- a) establishing permanent endowments for significant NPOs, as well as
- b) capacity building and matched funding for medium and small sized organisations

Catalyst Arts helped the sector to leverage £49.5million in response to the £48.5million investment. The Evaluation¹ ran for a year after the programme and provides rich source of case studies and learning you wish to examine.

In 2013, we established dedicated training and development programme, **Arts Fundraising & Philanthropy**, run by a consortium of Cause4, University of Leeds and the Arts Marketing Association. This programme included a mix of one day training courses including:

¹ <http://www.artscouncil.org.uk/publication/catalyst-evaluation-year-three-final-report>

- Trustees role in fundraising;
- individual giving;
- and developing a case for support.

Arts Fundraising & Philanthropy also developed:

- one year fundraising career development opportunities;
- mentoring and skills development
- a network of peer to peer support groups across the country
- and online resilience information platform [Culture Hive](#).

We will continue to support this programme as part of the next investment period as they join the portfolio as a Sector Support Organisation.

2015-18 investment round

From 2015 our **Catalyst Evolve** programme supported 140 projects across small to medium sized organisations to build fundraising capacity and raise matched funding. Catalyst Evolve was resourced with £17.5million of our strategic funding between 2015-2018.

Between 2015 and 2018 our £2 million **Building Resilience** fund is increasing the resilience of up to 100 cultural organisations. It will also provide models and case studies to be shared more widely across four themes. The four themes will explore and pilot different approaches to long term sustainability. They are:

- diversity and entrepreneurship,
- international philanthropy,
- change management
- and making the most of intellectual property.

2018-22 investment round

In April 2017 we launched **Catalyst Small Grants** which will build on the Evolve programme, using £3.5million of strategic funding. Catalyst Small Grants will support a similar number of smaller organisations to build fundraising capacity. It will also include museums and library services outside of local authority control. Funding will be awarded in January 2018.

Another part of our approach in our 2018-22 investment round is the **Arts Impact Fund**. This fund is providing repayable loan finance between £150,000 and £600,000 for arts organisations that can demonstrate a social impact through their work. The fund is created and funded by Bank of America Merrill Lynch, the Esmée Fairbairn Foundation and Nesta. It's supported by Arts Council with additional funding from the Calouste Gulbenkian Foundation.

Evaluation and learning

In 2016 Arts Council England commissioned the **Private Investment in Culture Survey**.² The survey helps address the lack of data in this area since annual publication by Arts & Business ceased. For this reason the survey also considered the years between 2012 to 2015 for which there was no data.

The survey showed private investment accounted for 18% of total income (£480million) compared to 48% for earned and 34% for public funding. This includes:

- Business Investment (sponsorship) – £96million,
- Individual Giving - £245million
- and Trusts and Foundations - £139million.

Between 2012/13 and 2015/16, the overall earned and contributed income of the NPO portfolio rose to one and three quarter billion pounds in cash terms. This represents an increase of more than 20%.

For several months from November 2016, Arts Council England and HLF were also part of a **matched crowdfunding**³ pilot programme delivered by Nesta. This was also supported by DCMS in response to the Culture White paper. We plan to learn from the findings of the pilot as we consider our 2018-22 investment round.

Our structure

Arts Council England has a dedicated resource focussed on this work, including a part time 'Director, Philanthropy' and a part time 'Director, Resilience'. This function allows us to develop policy, oversee the area of work above as well as contribute to sector development. Examples of recent work include our support for the sector in the lead up to, and following, changes in fundraising regulation; as well as the introduction of the General Data Protection Regulation.

² http://www.artscouncil.org.uk/sites/default/files/download-file/Private_investment_culture_report_Nov_2016.pdf

³ <https://www.nesta.org.uk/publications/matching-crowd-combining-crowdfunding-and-institutional-funding-get-great-ideas-ground>

Collaboration across borders

Your letter referred to whether conditions on our funding might inhibit cross-border collaboration between organisations in relation to fund raising. The focus of our support for organisations is of course for the benefit of arts and cultural organisations in England. However we do provide more than £26m of funding to organisations in Wales for activity taking place in England, including support for Welsh National Opera for example.

With regard to fundraising, our focus on England does not exclude or prevent arts and cultural organisations from accessing training and resources from outside of England.

To take just one example, Cause 4 who work with us on our Arts, Fundraising and Philanthropy programme report a number of organisations active in Wales have accessed their training in recent years. These include:

- Ensemble Cymru
- National Theatre Wales
- Artes Mundi
- Sinfonia Cymru
- Arts & Business Cymru
- Penarth Pier Pavilion
- Literature Wales
- Chapter Arts Centre
- Wales Millennium Centre

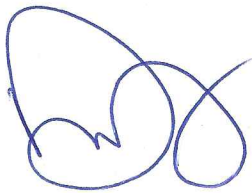
Cause 4 are currently also in discussions with the Royal Welsh College of Music & Drama about a future partnership for AFP with their Arts Management MA.

Similarly, the Arts Marketing Association have 121 members in Wales, and our CultureHive has between 80 and 100 users from Wales each month. This represents around 2-3% of the total.

I do agree that further collaboration could be interesting and beneficial. I understand that discussions have been held with Arts Council of Wales and Creative Scotland about how such work could take place. It may be that our respective geographic restrictions are holding such progress back, no to mention continuing pressure on public funds for all of us.

I hope this information is useful in your inquiry. Should you wish to discuss any of this in further detail, I'm sure my colleagues working on this area would be happy to help. These include Francis Runacres our Executive Director, Enterprise & Innovation; Clare Titley our Director, Philanthropy; and Jane Tarr our Director, Newcastle. My office should be able to help take forward such a conversation.

Kind regards,



Darren Henley
Chief Executive