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Cyllid Celfyddydau nad yw'n Gyhoeddus / Non-public Funding of the Arts
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Ymateb gan Emma Goad, Blue Canary Arts and Heritage Fundraising / Evidence from Emma Goad, Blue Canary Arts and Heritage Fundraising

Written Evidence for Welsh Government's Culture Committee – review into non-public funding of the arts (October 2017)

About Blue Canary In September 2014, I set up Blue Canary to support arts and heritage organisations with approaches to fundraising. This work includes; audits and reviews, strategic planning, campaign creation and implementation, prospect research, Business Planning, ghost bid writing, mentoring and training. Within Blue Canary's first 3 years, I have been honoured to work with some of Wales and the South West's most influential and exciting organisations. Clients include 4 of Wales' national companies – (NTW, NDCWales, WNO and Theatr Genedlaethol), and the Cardiff Story Museum, Kaleider (Exeter), Dancefest (Worcester), Clwb Ifor Bach, Dance Blast (Monmouthshire), Beyond the Border Storytelling Festival, Volcano Theatre and Theatre Bristol. Blue Canary has recently been brought on board to support National Youth Arts Wales through its transition period, with strategic fundraising planning and implementation. Please see www.bluecanary.org.uk for further information.

Blue Canary was the inaugural winner of the Emcees Outstanding Achievement Award for Fundraising early this year, created by the Management Centre and presented at a ceremony at LAMDA.

Blue Canary Fundraising Approach Although I work with a fundraising focus, my commitment and enthusiasm for my work is centred on the bigger picture of resilience, sustainability and development of an organisation, the sector, and the place that culture has in the wider world.

Fundraising is just one element of a successful package that leads to resilience and a strong future that is fundamentally based on working together in partnership. Successful sustainable fundraising is about the whole organisation; it's about a common goal to create a project however big or small.

With a well thought through strategy forming the foundations of a fundraising plan, sustainable fundraising can be achieved that forms a reliable source on annual income.

There is a virtual fundraising circle that begins and ends with an excellent project – a project that is communicated effectively to inspire individuals and organisations to invest finances, time and energy that in turn are ploughed back into the project enriching and developing it to then inspire others. In other words, the worst thing you can do when seeking funding is to cut the art – if you do that, then there is nothing to fundraise against!

Blue Canary's scoping project into fundraising across the arts sector in Wales Blue Canary Fundraising has been commissioned by the ACW to run a consultation and a scoping review of the challenges (and successes) of arts organisations across Wales, and across artform, with work to diversify income streams. The resulting report, due end of October, will frame the problem in that it will demonstrate the current landscape in the work that organisations are doing to diversify income, and offer recommendations of potential interventions that ACW could offer to further support the sector as they strive to become more sustainable and resilient in the current climate. This project is very much the start of ACW's understanding of the complexities of fundraising for the arts in today's market.

During this relatively narrow project Emma has consulted arts organisations at varying scales and in varying geographical locations across Wales, independent consultants working in the fields of fundraising and operational models across the UK, and grant giving trusts both in Wales and in London.

Overview It can come as no surprise to anyone that arts organisations which are the most resilient and sustainable are those who generate income from a broad variety of sources. Relying on a narrow number of income streams is dangerous whatever they are, particularly in this current financial climate. Combining income from both the public purse and private sources is key to success.

Fundraising should be seen as part of a total income diversification package, not as an addition, but as activity that is embedded in the organisation's core operation. Income from private sources should sit alongside public funding, and earned income.

With funding from the public purse reducing, arts organisations need to focus clearly on what they have rather than what they don't have. No two arts organisations are the same and there is no 'one size fits all' solution to fundraising or to suitable operational models. Arts organisations need to feel able to develop

their own organisation and financing models, to ensure sustainability, reliance and growth.

Sustainable fundraising takes time and resources to be successful. On average, organisations should not expect to see any return on fundraising investment for between 6 and 12 months, following a thorough strategic plan creation. It is this time and resource (capacity) that many arts organisations struggle with. Many of the smaller, more modest organisations don't have a dedicated fundraiser, and fundraising often slips to the bottom of the pile of priorities in the day to day running of the company. Investment in operational models, and training, is absolutely necessary to increase the number of fundraisers for the arts in Wales.

There are some basic principles that help to guide organisations in their fundraising:

Trusts and Foundations

Trusts and foundations supporting the arts are generally more interested in supporting work that includes;

- Restricted projects that are additional to core activity
- Projects that benefit hard to reach, disadvantaged communities
- Testing out new models of working
- Development of creative talent, particularly in young people
- Access to the arts for those less well served, or those with least opportunity
- Projects of excellence for either participant, audience or both
- Projects that have a national or regional reach, rather than just local impact
- Projects that could encourage a wider impact from dissemination of learning points
- Organisational change that will improve provision

Individual Giving

Evidence shows that individuals, whether they are a modest donor as part of a supporters scheme or a major supporter, give to the arts because they want to see that artform, organisation, project thrive. There may be a personal connection to the work or they just simply enjoy it and want to do their bit to keep it going. Extensive benefits that are given back to donors are not necessary and many donors do not want to see their donation whittled away with covering the costs of endless donations.

Corporate Support

Support for the arts from businesses in a transaction. Sponsorship arrangements exist to achieve tangible outputs for the business, usually under one of the following themes:

- Corporate Social Responsibility – CSR, supporting the local community
- Raising profile of the business for attracting potential clients/customers
- Association with the arts organisation's brand/vision/values
- Opportunities for networking
- Entertaining clients/customers
- Employee engagement – entertainment, skill development, team development

Themes Below is a list of the key themes that have arisen through the Scoping Project that Blue Canary has been researching and producing. These themes indicate the issues that many arts organisations in Wales are having as they strive to develop income streams, and ultimately survive.

- Organisations not being fundraising ready

This is a common issue where organisations for many years have entered into sporadic fundraising approaches with a limited success rate. In this competitive market for funding from the private sector, it is important that organisations, whatever their size or scale, are taking a strategic approach to fundraising and that

it is embedded in the Business Plan and values, and that it sits within a wider income generation plan to ensure sustainability, resilience and growth

- Too much emphasis on what organisations lack rather than what they have

Arts organisations are the most creative companies and individuals we have. However, it is too easy to leave the creativity at the studio door and not utilise this creative thinking to improve resilience and develop the business model of the organisation. The Arts sector needs to look at the assets that they have rather than what they don't have.

- Project planning

It is often underestimated how much work needs to go into project planning before applying for funding or approaching an individual or business to invest in creative work. Competition for Trusts and Foundation money is ever-increasing and as such, grant givers are becoming increasingly focussed on not just the merits of an artistic project, but more about how the project sits within an organisation and within the sector, alongside who will benefit, what is the need for the project and what are the outcomes

- what will change?

- How should organisations talk about work when approaching funders?

Linked to the point above, there is a shift in how arts organisations need to be messaging and talking about work with grant givers. Trusts and Foundations, at a national and regional level, are seeking to support and invest in projects that demonstrate strong outcomes and have substantial evidence of need. They want to see their money being invested in projects that will make a difference.

- Arts organisations working in silo Arts organisations are trailing behind the enterprise and initiatives that are being seen in income generation across the wider charitable sector. Arts organisations need to be encouraged to embrace the charitable sector, and be part of it. We can learn a lot from the thousands of charities at all scales doing fabulous work. Arts organisations need to get better with messaging about the value of the arts – economy, health & wellbeing, education, employability skills etc – the statistics and evidence exists, but it isn't used to full potential

- Role of the ACW and Welsh Government Linked to the point above there is a role to be played at the top level in incentivising giving to the arts by business and individuals, particularly high net worth. Wales does not have the multitude of high net worth businesses and individuals as England does. Organisations are often in competition for the same money from a small number of opportunities. There is a ceiling of opportunity in Wales. WNO, for instance, run one of the most successful individual giving campaigns but they are struggling to widen that pool of donors, and the same in business too. If WNO are finding challenges in these areas with all the assets they have to offer, then smaller project funded non-venue based organisations are really limited. The ACW and Welsh Government could use their status to help to offer incentives to giving – awards for recognition being the most obvious. This is something that ACE is looking into as part of their work to support the sector with philanthropy, particularly since the demise of the Prince of Wales Philanthropy Awards that were highly regarded.

- Relationship that the sector has with the ACW For a sustainable and developing arts sector the provision of Public Sector support is crucial. The ACW does a great job in challenging times in supporting the sector financially in an attempt develop the sector and maximise value for money for the tax payer. However, one thing that has come up often during the consultation for this project is the need for behavioural change both in the sector, within the ACW and particularly with the relationship between the two. For too long, and in better financial times, the sector has had an unhealthy reliance on the ACW. Living as we do in very different times, we don't need to cut the ties but rather make those ties more fluid, two way and responsive. ACW needs to enable organisations to take those necessary risks that are required to truly diversify income streams, through a number of short, medium and longer term interventions – improving dialogue with organisations, coming away from a 'one size fits all' approach, celebrating the financial diversity that many organisations are undertaking, improved meaningful training, signposting, and possibly some more substantial strategic interventions that will need further investment and consideration.

- How Trusts and Foundations see Wales

As a fundraiser I have strong links with a number of trusts and foundations, in Wales and across the UK, mainly London. Wales does not have the wealth of trusts and foundations that many regions in England celebrate. There are only a handful of Wales-based trusts that are regularly giving substantial investment and grants

to arts projects. Therefore, we rely heavily on the UK trusts and competition for this money is ever increasing.

During the scoping project I spoke with Grant Directors from 3 UK trusts – Esmee Fairbairn Foundation, Foyle Foundation and Paul Hamlyn Foundation. They each had interesting things to say about the developing quality of applications from Wales, but I think the most telling thing is the statistics of the number of the grants coming in to Wales’ arts organisations. In the last year: Esmee Fairbairn Foundation – 14 arts organisations in Wales funded out of a total of 109 arts organisation grantees Foyle Foundation – Total arts grants paid last year, grants to Welsh arts organisations only represented 2%. Across all funding (including schools, learning and the small grants scheme) grants paid in Wales represented 4% of total spend in 2016. Of applications received in 2016, just over 3% from Wales (across all our funding schemes). Paul Hamlyn Foundation – Explore & Test (up to £60,000 grant) 5 grants awarded to Wales. More & Better grants of which there were 300 applications, only 3 were awarded to Welsh arts organisations.

There could be a number of reasons for this lack of applications and subsequent grants to Wales including:

- Lack of capacity in arts organisations to research and submit applications to the right trusts
- Lack of knowledge in the sector about grant giving trusts
- Lack of experience as to how to write funding applications for grant giving trusts
- UK based trusts and foundations not doing enough in Wales to promote themselves (they all admitted more could be done).

Conclusion There is clearly a lot more that can be done to support organisations to diversify their income, instead of simply telling them they need to. Organisations need the capacity, space and time to develop strong strategies that lead ultimately to sustainability and resilience. Each one will be different and different approaches are needed.

There is as always a word of caution however, and that is, that Wales is a small nation and there is a ‘ceiling of giving’ – already those who are fundraising successfully have relationships with the same wealthy major donors, the same

grant giving trusts and the same businesses. You only need to look at funding recognition boards in venues to identify that. The question is about how we engage more people in investing in the arts, and celebrating the value of the arts for all and the place it has in a strong cultural, vibrant nation.