

We are pleased to publish the Executive Summary of the Evaluation Report for Year Two of the Arts Fundraising & Philanthropy Programme. We are committed to the continuing evaluation of the Programme throughout its three-year initial life, learning from the evaluation, and using this knowledge to improve and refine the Programme going forward. We want to ensure that the Programme is truly helping to transform arts fundraising, and we will continue to work with our Consortium partners, arts sector bodies and people across the sector to make this happen.

We have already taken the following action to address the twelve Recommendations in this report.

1. We have built in more cross-promotion of activities across the Year 3 Programme, for example ensuring that all participants in our training sessions are made aware of the CultureHive resource.
2. We actively sought to encourage a wider range of applicants to apply to the Year 3 Fellowships Programme. Whilst the gender balance remained the same, with 76% of all applicants female, there was an increase in applicants who identified themselves as disabled and/or as having rights under the DDA, from 5.5% in Year 1 to 12% in Year 3, and an increase in applicants from BME backgrounds, with 7% in Year 1 and 12% in Year 3. The final cohort of Year 3 Fellows includes 12% from BME backgrounds and 12% who identified themselves as disabled/ having rights under the DDA.
3. The Fellowships Programme in Years 2 and 3 has included pre-Fellowship day-long briefing meetings with host organisations. Year 3 Area Leads have met with host line managers individually on a regular basis to discuss their experience of the Fellowships programme to date. *Cause4* has not included a fundraising target of £100k for Year 2 or Year 3 Fellows. Instead, both fundraising and capacity-building targets are set at the start of the year in discussion with host line managers and Fellows on a discrete host-by-host basis.
4. The Programme team will evaluate the Fellowships programme fully at the end of the Year 3 Fellowships in October 2016, and will consider a range of ideas for a future Programme. The team are committed to ensuring that any future Fellowships programme continues to have a substantial impact upon Fellows, their host organisations and the wider cultural sector.
5. The Programme team are extremely grateful for the contribution that Regional Co-ordinators have made to the Programme's development over the three

Years. The team will meet with the Co-ordinators at the end of June 2016 to discuss ways in which they would like to be involved in any future Programme.

6. *Cause4* and DARE Fellows Leads have worked with Year 2 and Year 3 host organisations to plan carefully the Fellows' year and their areas of work. All of these plans are tailored to suit each host organisation, but there is a very clear overall structure established, with the Fellows starting their year learning how to write funding applications and progressing into Individual donor/Corporate relationships later in their year.
7. The Programme team focussed on offering Essential Skills fundraising training in Year 3, which has proved popular. The team are very keen to develop more training opportunities for senior fundraising staff and managers in any future Programme.
8. All Programme trainers have been asked to include introduction exercises within training sessions.
9. CultureHive has become an extremely popular resource centre for arts fundraisers. It now contains 175 new fundraising resources, which were downloaded over 9,959 times between April 2015 and March 2016. It is not designed to be an interactive platform, but it does link with interactive platforms and can do more of this in future.
10. The Programme team will review pricing strategies at the end of Year 3, and are keen to consider more flexible strategies for any future Programme.
11. The Programme team will consult with the sector and stakeholders in order to plan more training and development opportunities for senior fundraisers within any future Programme.
12. We are very proud that we have exceeded our initial quality and satisfaction benchmark of 80% across our training programme. We are now raising the minimum expectation to 90%, and will continue to drive improvements to our training offer in any future Programme.

We welcome any comments, questions or ideas you may have for us regarding the Arts Fundraising & Philanthropy Programme and our response to this evaluation. Please do not hesitate to contact us at artsfundraising@cause4.co.uk. Please sign up to receive our regular e-Newsletter for further Programme updates at www.artsfundraising.org.uk .

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1. Introduction

The following executive summary outlines the main findings, key conclusions and summary analysis from the Year Two evaluation of the Arts Fundraising and Philanthropy (AFP) Programme, and includes the recommendations from the evaluation report. All context, explanations and full details underpinning these findings, including details of the evaluation approach, are found in the main body of the report.

2. AFP's impact on the arts sector

Arts organisations are realising that they need to change their approach to income generation *urgently* in order to survive. The findings of this evaluation demonstrate that the AFP Programme is very well placed to respond to this sector need. Although there remain gaps in its provision and approach, the programme has engaged positively with organisations across a number of activities, approaches and strands. It has also demonstrated its agility and flexibility; its ability to work iteratively and respond rapidly to feedback; and its willingness to take an action learning approach to training, education and development. This leaves it very well placed to respond to the needs of the sector as the arts funding environment continues to change.

3. Specific achievements of the AFP programme in Year Two

Based on the investigation of all activity undertaken during the first year of the AFP programme, the evaluation highlights the following key findings:

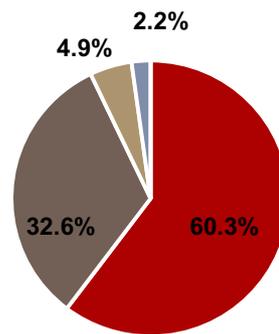
- **AFP has achieved exceptionally high rates of satisfaction across the national training programme.** Satisfaction is now consistently at or above **90%**, with appreciation of the trainers, training venue and supporting materials rising significantly on last year's data. **97% of delegates** agreed their trainer was of a high standard and **93%** felt that their training session would have a positive impact on their professional development. Delegate satisfaction has increased over all aspects of the training courses since Year 1, with all aspects achieving an average satisfaction rate of at least 85%. Delegates found that the courses were appropriately pitched and thought that they would improve their working practices. They rated the trainers very highly in terms of how well they communicated, how supportive they were, and the quality of the materials that were provided.
- **A positive return on investment is evident in the AFP Fellowship programme.** An estimated minimum of **£861,244** has been raised to date by Year Two Fellows, suggesting a **positive return on investment (ROI) of around 191%**.¹ This marks a **12.4% increase on last year's figure** of £765,939 and constitutes an **average income generation of £57,416 per Fellow** (cf. £51,063 in 2013/14). From the average individual host organisation's perspective, the ROI could be calculated at **574%**. In other words, **the average Fellow brought in 5.74 times what their host organisation paid to employ them.**²
- **The broader impact of AFP Fellowships has been significant within host organisations.** The cultural impact of the Fellows on their host organisations has been

¹ This calculation is based on a unit cost of £30k per Fellow, £10k of which was covered by each host organisation.

² There is a significant caveat here – namely that the income generated by the Year Two Fellows ranged from £0 to over £250k. Further analysis indicates that hosts' expectations of Fellows' income generation need to take account of the fundraising environment, support and context. Thus, while a mean income generation figure is of interest, it must be contextualised and treated with caution.

significant although significant management time was apparently required to develop the Year Two Fellows' soft skills. At their best (and particularly in smaller organisations), the Fellowships have functioned as action learning for the host organisations and encouraged them to rethink their fundraising activity and strategy by trying out new initiatives. Hosting a Fellow has prompted organisational reflection and discussion on different approaches to fundraising. Vicarious access to the training and networks accessed by the Fellows has provided a spur for their managers to discuss these new approaches with their wider fundraising teams.

Overall, I am satisfied with the quality and relevance of the National Training Programme



■ Definitely agree ■ Mostly agree ■ Neither agree nor disagree ■ Mostly disagree ■ Definitely disagree

- **Increased thought-leadership, professionalization and accreditation of fundraising.**

In December 2015, **25 students graduated with a PG Cert in Fundraising and Philanthropy from the University of Leeds** (comprising 22 Year 1 and Year 2 Fellows and 3 independent students). Of these, 13 graduated with Distinction and a further 11 graduated with Merit.

- **Increased engagement with a growing bank of online fundraising resources.**

By February 2016, **173** dedicated fundraising resources were available on the CultureHive website and they had attracted **11,586** downloads. The most popular resources were those focussing on conducting fundraising audits, developing fundraising strategies, developing effective friends and membership schemes, and sponsorship. By November 2015, CulturePro had attracted **36,410** unique page views and **of its 412 registered users, 336 fundraisers (82%) had currently completed one or more online modules.**

- **Fundraising leadership skills developed by coaches and peers.**

Since the launch of the coaching and action learning programme, a total of **39 people have taken up coaching sessions.** To date, 26 participants have completed all of their coaching sessions and a further 10 are still completing their sessions. A total of **35 participants have attended an action learning session.** Participants have generally found these sessions very valuable, particularly in helping them deal with issues of organisational change, organisational dynamics / relationships, and management / leadership challenges. Participants focussed strongly on how their **coaches have developed their confidence.**

- **Establishment of a national networking scheme.**

In August 2015, **AFP received 32 applications for its new Networks Programme and selected 10 for support.** Considering the surplus demand, AFP held a second

round of applications in February 2016, where it received 23 proposals. Of these, it will fund **a further 10 networks** across England in the coming months. To date, AFP has also recruited **16 Regional Co-ordinators**: 5 in the North, 4 in the Midlands, 3 in London, 2 in the South-East and 2 in the South-West.

- **Fundraising is increasingly on the national agenda.**
This year's AMA Conference in Birmingham attracted **100 fundraisers** (up by 35% on last year) and **94% of these rated the conference good or very good**. The first **national debate on arts fundraising** was held in Leeds in August at the National Summer School for Arts Fundraising and Leadership in front of a public audience of 50.

4. Progress against Arts Council England objectives

Objective 1: More income generated as a result of AFP

Our evaluation of this objective is that it remains *partially met*. Within the Fellowship programme, there are clear indications that fundraising capacity is increasing. The Year Two Fellows have generated an estimated minimum of **£861,244**. It is still too soon to say what tangible impacts the programme might have had on the fundraising income raised by delegates from the National Training Programme and AMA Conference and from those who have engaged with the Digital Learning and Networks programmes¹. Evaluation of all of these strands has indicated that AFP is having a positive impact on working practices, including in areas of private giving.

However: Analysis of the financial impact of AFP could require several years and any final analysis will lie beyond the scope of this evaluation. Regarding the coaching programme and action learning sets, it seems that the impact of these strands has been most profound in aspects of leadership, strategic development and organisational change, rather than explicitly on raising earned income. Corporate sponsorship remains very challenging, especially for small organisations and for organisations outside London.

Objective 2: Impact on skills development within the sector, and on the working practices of AFP participants and their organisations

Our evaluation suggests that this objective has been exceeded. There is strong evidence that the programme has had a significant impact on skills development and working practices in the sector. As in Year One, all of the KPIs have been met or exceeded for this objective, with an aggregated average of 93% of the National Training Programme delegates agreeing that their training was of high quality. 91% agreed that it would improve their working practices and 90% of delegates felt that the supporting materials were of a high standard, so there is growing evidence that AFP is generating appropriate learning tools and resources that will leave a positive legacy in the sector.

However: Although the AFP programme has developed both Fellows' and organisations' 'hard' fundraising skills, there are indications that Fellows' softer, transferrable qualities such as confidence, networking and communications skills have not been as developed as they might have been.

¹ An exclusive causal link between AFP delivery and income generation will never be possible to establish, even in the Fellowship programme, and amounts of income generated as a direct result of AFP must therefore remain best estimates.

Objective 3: Impact on professionalization of arts fundraising and dissemination of best practice

Our evaluation indicates that this objective has been met. This year's evaluation has demonstrated that 93% of National Training Programme delegates and 96% of Summer School participants agree that their training/development had a positive impact on their practice. The Digital Learning Programme and the Summer School continue to be influenced by the new National Occupational Standards (NOSs) that were developed at the start of the AFP Programme. This marks a significant step in formalising the sector's expectations of well-trained fundraisers and helps to professionalize the discipline within the sector and to disseminate best practice.

The Networks Programme, the action learning sets and the fundraising strand of the annual AMA Conference all demonstrate the traction that arts fundraising is gaining, thanks in large part to AFP, as a recognised area of professional practice in the arts. These initiatives present ideal opportunities for formal and informal dissemination via expert and peer networking and facilitate the exchange of best and emerging good practice in arts fundraising.

However: The professionalization of arts fundraising and dissemination of best practice are gradual and ongoing processes and what is perhaps currently still lacking is wider dissemination and collaboration, both across the UK and internationally.

Objective 4: Impact on increasing leadership capacity and building a peer-to-peer community amongst fundraisers

Our evaluation suggests that this objective has been met. There is accumulating evidence that the AFP programme is continuing to develop an effective peer community of arts fundraisers. This is most apparent in the Fellowship programme, where the third cohort of 25 Fellows is now successfully in place. The destination data of the first two cohorts of Fellows demonstrate again how highly they are regarded in the sector.

The specific focus on leadership in the Summer School and PG Cert is also designed to develop leadership skills and aspirations amongst fundraisers. The coaching programme also seems to have played a positive role in developing participants' leadership skills and resilience; and the consolidation and broadening of the Networks Programme is continuing to develop peer-to-peer communities.

Objective 5: Impact on the working practices in approaches to donors and in donor relationship maintenance

Our evaluation thus far does not enable us to ascertain to what extent this objective has been met. This is a specific objective that will require closer analysis of the sector survey, which is still live. It will receive a sharper focus therefore in the final report. However, early developments such as collaborations with The Audience Agency and its emerging Donor Finder tool are rapidly being integrated into training programmes and are likely to address acknowledged skills gaps in areas of audience research and database analysis. The consortium has acknowledged the risk of over-relying on Donor Finder to achieve this particular objective and has acknowledged the need to place greater focus on donor cultivation and management in the Year 3 training programme and to consider how this might dovetail with any organisational development initiative and follow-on activities with trainees.

Objective 6: Impact on organisational culture – for example changes in attitude towards fundraising amongst arts organisations participating in the programme, or in levels of support given to fundraisers within organisations; any impacts on staff retention; and evidence of an increasingly enterprising culture within participating organisations

At this stage in the programme, our evaluation indicates that this objective has been *partially met*. Evidence is continuing to accumulate that the AFP programme is steadily impacting on the cultures of organisations that come into contact with the programme, especially through the Fellowship scheme, which constitutes the most intensive and sustained level of engagement. But the coaching strand is also starting to impact too, with participants reporting an increased awareness of strategic fundraising and business modelling as their key drivers and outcomes.

However: This evaluation has highlighted the need to address board members' engagement with fundraising in order to galvanise the sector. It has also indicated that despite a hunger for more entrepreneurial approaches to fundraising, from trainers, Fellows and fundraisers alike, the core demand, offer and practice within the programme remains centred on traditional approaches to fundraising.

Objective 7: Evidence of increasing knowledge exchange, and arts fundraising and philanthropy 'thought leadership' (e.g. pioneering practice, innovation, field-leading discussion) within the sector.

Our Year Two evaluation indicates that the AFP programme has *met* this objective.

There is now significant evidence that the Fellowship Programme, the Summer School (and PG Cert), the Digital Learning Programme, the AMA Conference and the Networks Programme in particular are harnessing and facilitating knowledge exchange and developing and disseminating innovation, pioneering practice and field-leading discussion and debate. Thanks to the successful marketing and development of CultureHive and Culture-Pro, the Digital Learning Programme is continuing to attract significant numbers of fundraisers. By November 2015, **412 users were registered on FundraisingPro** (an annual increase of 258%). Analysis of the online resources being downloaded and of the online modules being completed suggests that knowledge about fundraising auditing and strategy, about developing and managing effective friends and membership schemes and about attracting sponsors is being widely disseminated across the sector.

Regarding marketing and social media, **by January 2016 the AFP database boasted 3,000 subscribers**; AFP had attracted over 3,000 Twitter followers, over 430 Facebook Likes and over 520 LinkedIn members. **Between 1 April and 31 December 2015 the AFP website attracted 21,390 unique website users.** This compares positively with 17,596 over the same period in 2014, but less well against the target of 40,000 users by 31 March 2016.

5. Areas for reflection

Despite the overwhelmingly positive findings of the Year 2 evaluation, there are some areas that AFP might wish to reflect on going forwards.

- **Time for personal and professional development**
Despite the fact that organisations are encouraging engagement with the programme by funding attendance at National Training Programme courses and finding them good value for money, they are not generally providing study time for Fellows and digital learning, nor formally disseminating learning from AFP across their organisations.
- **Developing fundraisers' soft skills**
Although the Fellows were broadly making a significant impact, both culturally and financially, they did not have the level of experience that host organisations were expecting, and the extra investment in professional development required from their managers was impacting negatively on some of the host organisations. Managers commented especially on the need to develop soft skills so that Fellows could feel at ease in, and make effective contributions to, face-to-face meetings with potential donors and sponsors.

- **What is a fellowship scheme?**

One key finding from this year's evaluation is that the description of the AFP internship scheme as a "fellowship" is currently causing confusion and consternation, leading to conflicting expectations from key stakeholders. To many people, "fellowships" suggest something more senior than a graduate internship scheme, so some host organisations aren't clear what they are signing up (and now paying) for. We address this issue further in our recommendations below.

- **Engaging board members in fundraising**

There are clear indications of a pressing need to address trustees' engagement with fundraising. It appears to be challenging to engage with a critical mass of trustees through the National Training Programme so AFP might consider more interventionist methods of achieving this goal.

- **Differentiating the AFP offer**

There are some indications that the National Training Programme could benefit from communicating more clearly in its marketing that it is not just another commercial training provider. Some commentators felt that AFP should make its connection to Arts Council England much more explicit, ideally by characterising itself as the programme that ACE has sponsored to support fundraising in the sector. Since the launch of the *Catalyst* programme, the number of training providers seems to have grown, which increases the pressure on AFP to differentiate itself from just another "hard sell".

6. Conclusion

All of the strands of the AFP programme have continued to develop in a positive way over the past year, and both engagement and satisfaction levels have risen steadily. There is the sense that the programme has now bedded in and is running smoothly and effectively, and meeting or exceeding almost all of its objectives. What is particularly impressive is the way in which the programme has responded quickly and flexibly to feedback and recommendations, and to changing priorities in the sector. In this sense, AFP has functioned as an effective pilot or R&D programme, which will leave a significant legacy not just for arts fundraising, but for any major strategic sector-wide interventions in the future.

However, although overall, AFP's training is acknowledged to be of very high quality, and in many cases even sector-leading, there is a feeling that the programme could do more to communicate why its training is good, and how it is distinctive. There are signs that the different strands of the programme are not functioning in a complementary way and that communication between the different strand managers is patchy, which is possibly hampering cross-promotion.

7. Recommendations

- I. AFP is sometimes missing opportunities to cross-promote its activities across the different strands of the programme. A more strategic approach to post-delivery marketing could enable it to drive further, wider and deeper engagement and to encourage more 'laddering up' the different levels of programme delivery – for example from the National Training Programme to the Digital Learning Programme.
- II. Serious concerns remain regarding the lack of diversity in the AFP Fellows, who represent a very poor gender, ethnic and educational mix. Amongst the Year Two Fellows, 14/15 (93%) were white female and the remaining Fellow was a white male. In the Year Three cohort, there is greater diversity in terms of gender, ethnicity and educational background, but nevertheless, 21/25 (84%) Fellows are female and 22/25 (88%) are white. This highlights the challenges involved in recruiting and selecting a diverse field of candidates in the arts in the UK, and

possible remedies such as targeted recruitment and minimum quotas should at least be considered for any future fellowship or internship schemes beyond the lifetime of this programme.

- III. While the Fellowship programme has emerged as a resoundingly positive strand of the programme, there are indications that it might be improved even further by taking the following measures:
- managing the expectations of both host organisations and Fellows more carefully
 - further development of Fellows' soft skills (for example through shadowing and personal development activities)
 - extending the Fellowship to 18 months or even two years.

Cause4 might also wish to reconsider its original fundraising target of £100K, which caused undue anxiety amongst the Year One Fellows and which is not currently being met by the vast majority of Fellows. Bearing in mind that the average income generated across the first two cohorts is £54,239 a target between £50-£60k might be more realistic going forward. It is good to see this target being softened and contextualised in Years Two and Three.

- IV. There is tension in the existing Fellowship Programme between the daily focus on fundraising tasks and the more strategic, organisational focus on income generation, business development and leadership. To develop further the issues raised in the previous recommendation, based on the findings of this report, ACE/AFP might wish to consider separating any future strand into two distinct schemes:

- a *graduate internship scheme* over 18 months, with more focus on career development and developing soft skills
- a *fellowship scheme for more senior fundraisers* aimed at career changers or experienced fundraising/development officers or fundraising/development managers.

This is likely to manage the expectations of host organisations and future recruiters and might also clearly position leadership development within an advanced fellowship scheme (more akin to Clore) as opposed to what has essentially become a graduate internship scheme. A mid-career or senior fellowship might also address the problem identified within this report of fundraisers getting promoted too quickly without the requisite knowledge or experience demanded by more senior fundraising and development roles. The existing coaching and action learning programme could be incorporated into this new strand.

- V. Regarding the action learning programme itself, this approach clearly has potential to exert a greater influence on the sector, but AFP needs to focus on developing a truly national infrastructure, perhaps by following or working in partnership with AMA's existing Regional Rep initiative. In any case, providing the AFP regional coordinators with a clearer purpose and perhaps integrating them into the programme more productively might help to galvanise the regional action learning sets and networks. AFP might also consider payment-in-kind for the regional co-ordinators as AMA does currently for its Regional Reps.
- VI. The case studies with the Year Two Fellows and their host organisations highlighted how host organisations often learn how to manage, structure and support the Fellowship only by doing it, almost through a process of action learning. This suggests that host organisations might benefit from further organisational development at the start of the Fellowship and from a Host Support Guide. For example, some host organisations promulgated starting Fellows off by focussing on trust and foundation applications and then developing their roles

incrementally to include shadowing and more hands-on project management to develop their soft and leadership skills.

- VII. Insights gleaned from the trainers indicate that any future National Training Programme would benefit from focussing predominantly on delivering short introductory-level courses, for which there currently seems to be a continuous demand. There is evidence that more senior fundraisers are not being attracted by the current training offer, and AFP may therefore wish to consider rolling out their other emerging modes of development for managers, leaders and trustees, including bespoke consultancy, organisational development, retreats, etc.
- VIII. At both the Summer School and the National Training Programme, some participants called for more focus on introductions at the start of session to provide more context about who is in the room and what challenges they are facing as fundraisers. We would therefore recommend that introduction exercises are built into all face-to-face sessions going forwards as a matter of course.
- IX. This report has indicated that the aims and strategic purpose of CultureHive could be clearer. If this is designed to be an interactive platform, then it will require further time and investment, alongside proactive facilitation. There is potential here to develop an engaged and active online community that could harness the dialogue facilitated by the online workshops and complement the emerging regional networks.
- X. In terms of marketing, AFP could consider introducing dynamic pricing and/or price bands according to turnover for certain strands of the programme (National Training Programme, PG Cert enrolment, Fellowship hosting, coaching, etc.). This could serve both to increase income while implementing a fairer system so that arts organisations pay according to their ability to pay. More explicit endorsement and/or co-branding from ACE could help AFP to distinguish itself more clearly from other fundraising training providers and be seen to be the training provider of choice for the arts and cultural sector.
- XI. AFP has struggled to engage with senior fundraisers. Any future intervention might benefit therefore from focussing on marketing in a more targeted way to this specific segment.
- XII. Given that almost every strand and sub-strand of the programme is exceeding the quality indicators, we would recommend raising the minimum expectation once again up to 90% for the remainder of the programme to maintain and raise training and professional development standards even further.