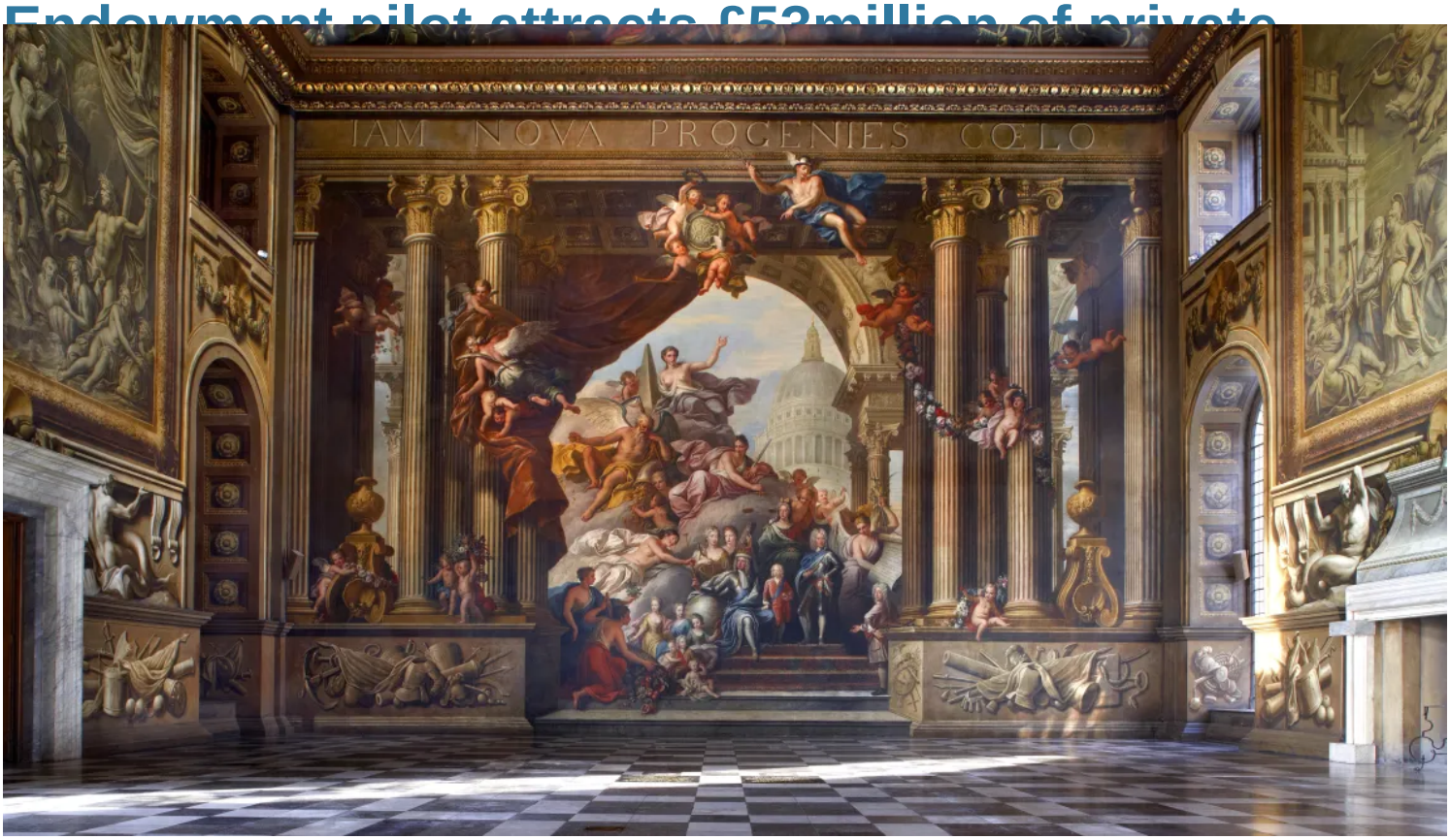
Endowment pilot attracts £53million of private



The Painted Hall at Old Royal Naval College Greenwich Foundation

UK heritage organisations will be more resilient and less reliant on public funding after attracting £53million of private money for US-style endowment funds, according to a new report published today by the Heritage Lottery Fund (HLF).

The Catalyst Endowment: Heritage programme - launched in 2012 by HLF and Department for Digital, Culture, Media and Sport (DCMS) - successfully boosted endowment fundraising in the UK heritage sector by offering match-funded grants between £500,000 and £5m.

Two-thirds of the 31 heritage organisations who were awarded match-funding endowment grants completed their fundraising, raising a total of £53.3m of private investment. Combined with HLF's matched funding of £29.8m, it brings the total investment in UK heritage to £83.1m

The Mary Rose Trust, the Old Royal Naval College in Greenwich, the Bowes Museum in County Durham, London's National Portrait Gallery, SS Great Britain in Bristol and the Abbotsford Trust in Scotland were among those organisations that completed their fundraising target in full. Others managed to raise part of their target funding and will still benefit from an endowment from which they can draw ongoing income.

Heritage Minister Michael Ellis, said: “Boosting private giving is incredibly important to secure a more resilient future for our heritage organisations. The success of the Catalyst Endowment programme shows how, through match-funding, historic buildings, museums and cathedrals can increase fundraising and build long-term financial sustainability.”

HLF Chief Executive, Ros Kerslake, said: “Financially, these are challenging times for heritage and cultural organisations. Income diversification is key to building resilience and Catalyst Endowments have given these organisations the tools to make that shift towards greater financial independence and long-term sustainability.”

Designed to bring new money into the cultural sector, the programme offered match-funding to help heritage organisations become more sustainable and resilient by building a new endowment fund or developing an existing one, in order to increase annual income.

Grants between £500,000 and £5m were awarded with varying match-funding ratios. So in the case of the V&A, for every £3 raised in private donations, HLF awarded it £1. For the Abbotsford Trust, for every £1 raised HLF matched it with £1.

The Catalyst: Endowment scheme is aptly named as it has literally had a catalytic effect on grantees, who describe the programme as having had a ‘galvanising’ and ‘transformational’ effect on their organisations, including ‘cultural shifts’ in terms of attitudes to fundraising.

- Two-thirds of the 31 grantee organisations completed their fundraising within the grant period, raising £53.3m in total.
- The programme has successfully kick-started and developed endowment fundraising amongst grantees, with the majority of grantees intending to continue fundraising for an endowment.
- The matching element of the grant was widely viewed as an important driver for success. This ‘offer’ created opportunities to start conversations with potential donors about endowments, and was appreciated by donors who wanted to see the value of their contribution increased.
- There were numerous non-financial benefits to the grantee organisations of having the Catalyst: Endowment grant. Getting new opportunities from donors, stakeholders and others because the grant impressed them; receiving in-kind donations; and trustees and patrons bringing in new donors from their contacts were all mentioned as being added value for the project.
- Grantees that did not complete experienced a range of internal and external reasons that impeded their success but there was no evidence or lack of interest or effort.
- The pilot sought to improve fundraising within heritage organisations but external factors such as the economic downturn had a greater impact than was anticipated.
- It is harder to encourage donors to give to an endowment in favour of other more tangible, immediate projects. Endowments often do not align with the philanthropic aspirations of many donors, including high net worth individuals and corporates, who wish to donate to achieve immediate impact.

Dr Beth Breeze, director of the Centre for Philanthropy at the University of Kent, which conducted the evaluation and wrote the final report, notes: “Asking for money is rarely easy, and this evaluation demonstrates the immense value of investing in schemes that help organisations to do more, and more sustainable, fundraising. This final report not only describes the success of this particular scheme, it also includes useful information about donor behaviour, and how any charitable organisation can assess its readiness to embark on building or growing an endowment, which will keep them on a surer financial footing for the future.”

The Bowes Museum in Barnard Castle, County Durham received £1m towards creating a £2m endowment fund. It will now generate income to support the museum's internationally significant collections of fine and decorative arts including its famous Silver Swan, a musical automaton dating from 1773.
As a young charity, new to fundraising, asking people for donations was a relatively new concept for the organisation. Previously the museum had relied largely upon local authority funding but was aware that it needed to diversify its income streams to protect it from future public sector funding cuts.
The Catalyst Endowment grant enabled the museum to tap into donors in a way it hadn't been able to before. As well as HLF offering matched funding, donors were drawn into the concept and also gave to the fund along similar lines. A triple match-funding offer was put in place. So, for every £10 with Gift Aid the museum raised, one of the museum's long-standing donors doubled it to £25, The Friend of The Bowes Museum doubled that to £50, and HLF doubled it in the endowment. In effect every £10 raised with Gift Aid, became £100 in the endowment.

The Painted Hall and Chapel at the Old Royal Naval College, Greenwich received £1m towards creating a £2m endowment fund. It will now generate income to support the conservation and running of these two buildings, designed by Sir Christopher Wren and situated in a UNESCO World Heritage Site.

Rather than targeting larger donors, the Old Royal Naval College team focussed on donation box fundraising and spent time training and engaging staff in the process of fundraising. It represented a huge cultural shift for the organisation which it has been able to continue.

Building on Catalyst Endowments, HLF launched Heritage Endowments in 2016. 15 heritage organisations awarded match-funding grants up to £250,000, £500,000 or £1m are due to complete during 2021. The early feedback from these projects and learning from the Catalyst projects will inform our next Strategic funding framework, which will be announced towards the end of 2018.

Notes to Editors

HLF Catalyst: Endowment grantees

- Abbotsford Trust
- Arnos Vale Cemetery Trust
- Ashmolean Museum of Art and Archaeology
- Bowes Museum
- British Library
- Churches Conservation Trust
- Dulwich Picture Gallery
- The Governors of Belfast Library & Society for Promoting Knowledge
- Greenwich Foundation for the Old Royal Naval College
- Holburne Museum
- Holocaust Centre
- John Clare Trust
- Lakeland Arts Trust
- Lincoln Cathedral
- London Wildlife Trust
- Mary Rose Trust

- National Horseracing Museum
- National Museum of the Royal Navy
- National Portrait Gallery
- Pallant House Gallery
- Peterborough Cathedral
- Severn Valley Railway
- Sir John Soane's Museum
- South Tyneside Railway Preservation Society
- SS Great Britain
- St Martin-in-the-Fields PCC
- Strawberry Hill Trust
- Tank Museum
- Victoria and Albert Museum
- Watts Gallery Trust
- The Wiener Library Institute of Contemporary History

Catalyst: Endowments was a partnership between: DCMS; HLF; and Arts Council England (ACE).

Part of a wider Catalyst programme, it was designed to enable arts and heritage organisations to diversify their income streams, attract significantly more funding by increasing their fundraising potential and help them to develop and explore innovative new approaches to securing private giving.

The £100m Catalyst fund was invested through:

- Catalyst: Endowments: a £55m scheme jointly funded by DCMS, ACE and the HLF.
- Catalyst Arts: a £30m ACE capacity building and match funding scheme
- Catalyst Arts and Catalyst Heritage fundraising capacity building programme: a £7m ACE fundraising capacity building small grant scheme; and a £5m HLF investment in capacity building, including a small grant scheme
- ACE also invested £3m in a programme of learning and knowledge sharing.