

# **Catalyst: Endowment**

## **Annual Report 2015**

**Developments between November 2014 – October 2015**

**February 2016**

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## Introduction

This is the third Annual Report document which will be produced every year until 2017. This report covers the progress of the University of Kent's evaluation project by providing a round-up of the developments of a number of key initiatives.

In the first section, the timeline of the entire evaluation project is presented. In the second section, a summary of the Annual Review 2015 report is given. The third section covers the case study element of the evaluation, which is followed by a summary of the annual workshop in section four. The final section looks ahead to the coming year and forward to 2017.

31 organisations were awarded a Catalyst: Endowment grant and all are included in the evaluation project. They are as follows:

First round organisations:

- Arnos Vale Cemetery Trust
- Dulwich Picture Gallery
- Greenwich Foundation for the Old Royal Naval College
- Lakeland Arts Trust
- Lincoln Cathedral
- Linen Hall
- Mary Rose Trust
- National Museum of the Royal Navy
- National Portrait Gallery
- Pallant House Gallery
- Sir John Soane's Museum
- St Martin-in-the-Fields PCC
- Strawberry Hill Trust
- The Abbotsford Trust
- The Bowes Museum
- The British Library
- The Holburne Museum of Art
- Victoria & Albert Museum

Second round organisations:

- Ashmolean Museum of Art and Archaeology
- Churches Conservation Trust
- John Clare Trust Ltd
- London Wildlife Trust
- National Horseracing Museum
- Peterborough Cathedral
- Severn Valley Railway
- South Tynedale Railway Preservation Society
- ss Great Britain Trust
- Tank Museum
- The Holocaust Centre

- The Wiener Library Institute of Contemporary History
- Watts Gallery Trust

In terms of the location of these organisations, there happens to be a higher proportion based in London, with 11 organisations found in the capital. Beyond this there is a spread around the UK, and the maps below illustrate their locations.

## Map of the location of the 31 organisations

### The UK



Key:

**Red = First round organisation**

**Blue = Second round organisation**

**London**



**Key:**

**Red = First round organisation**

**Blue = Second round organisation**

## **Headline findings**

The key findings of the Annual Report 2015 are as follows:

### **Annual Review**

Presented below are the key points from the Annual Review document, which contains the findings from the monitoring of organisations' progress against fundraising targets, the tracking of financial indicators, and the monitoring of the financial health of a control group (organisations which were unsuccessful in their application for a Catalyst: Endowment grant). A fuller summary can be found in Section 1.

- First round organisations have drawn down 44% of the £27.5m awarded to them and second round organisations have drawn down 40% of the £8.5m awarded to them.
- The largest income stream for the grantee organisations in 2014/15 is grants from trusts and foundations.

- For the control group, total voluntary income<sup>1</sup> has dropped for four years in a row, decreasing from £187m down to £128m in 2014/15. As a proportion of incoming resources, it has dropped from 16% to 3.5%.
- In 2011/12, 23 of the 43 control group organisations declared an endowment, and in 2014/15 for the first time two organisations stated in their accounts that they had begun a new endowment. This is interesting because it suggests that organisations which had indicated a need for an endowment by applying for the Catalyst: Endowment programme still feel this need, and are now making their own moves towards this even without the support of HLF.

## Case studies

Presented below are the key points from the case studies which are being conducted with 30 grantee organisations. The first stage of case studies is complete and the follow-up case studies are now underway and three have been completed. A fuller summary can be found in Section 2.

- There is a mixture of ways that organisations planned to use their endowment. For many, conservation, restoration, preservation and maintenance are the watch words, and for others it is a way for some organisations to afford to keep their doors open and to give them general security as they will be able to rely on a future income coming in. Latterly, the endowments of salaried posts, education, exhibition improvements and restoration have been popular.
- Most organisations said that if they had not been awarded the grant, they would have gone ahead and begun to fundraise for an endowment, although most said that they would have started later and worked at a slower pace. Many plan to keep fundraising beyond the grant award period to reach a higher level in order to increase their resilience.
- In the follow-up case studies, the learnings were quite diverse. Two organisations spoke about seizing opportunities as they arise when fundraising for the endowment, there were also thoughts about maintaining momentum, using a campaign format, not directly mentioning 'endowments', the Director being personally involved in the task, the endowment being more difficult than a capital campaign, remembering that it is the organisation and its collection that people give to rather than the endowment target, and setting up a fundraising committee so that no one person is solely responsible for the endowment fundraising.
- The plans for the future are very different for each organisation. One will continue fundraising towards their higher target and will look at their collection in terms of how people engage with it. One organisation is going to launch a digital infrastructure project and strengthen relationships with the academic sector, and the final organisation is going to be increasing the endowment target, working with the community and repeating their double-matching scheme in future.

## Annual workshops

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<sup>1</sup> *Total voluntary income* – This is used as a general indicator of financial health. This is usually listed in the accounts, but where it is not, donations and grants have been added together to reach a number. Lottery income and Grant In Aid income are also types of voluntary income but are not always listed in charity accounts. Grant In Aid and National Lottery grant income is also included in the Grant income financial indicator.

Presented below are the key points which arose from the March 2015 workshop, to which all grantee organisations were invited. A fuller summary can be found in Section 3.

- Overall, feedback on the March 2014 workshop was positive. It was seen as a successful event attended by a high percentage of grantees, that provided a useful space for sharing and mutual support as well as ‘inspiring’ input from three external speakers, that left delegates with a sense of ‘renewed vigour’ (both quotes from feedback forms).
- For most of the grantee organisations, it has been challenging to prioritise or balance Catalyst against other work. For many Catalyst has had to operate in parallel with other significant fundraising campaigns, and in some cases it has taken second place.
- The positive engagement of trustees was often mentioned as well as their active involvement in fundraising for the endowment and personal donations.

## **1. Timeline of project**

### **2013**

January 2013 Evaluation project awarded - COMPLETE

February 2013 First annual workshop - COMPLETE

March 2013 First stage case studies begin - COMPLETE

August 2013 Baseline survey launches - COMPLETE

October 2013 October 2013 workshop - COMPLETE

November 2013 Annual Review 2013 - COMPLETE

December 2013 Annual Report 2013 - COMPLETE

### **2014**

March 2014 Second annual workshop - COMPLETE

October 2014 Second annual survey launches - COMPLETE

December 2014 First stage case studies complete - COMPLETE

### **2015**

February 2015 Annual Review 2014 - COMPLETE

March 2015 Annual Report 2014 - COMPLETE

March 2015 Third annual workshop - COMPLETE

October 2015 Third annual survey launches - COMPLETE

### **2016**

February 2016 Annual Review 2015 - COMPLETE

February 2016 Annual Report 2015 - COMPLETE

March 2016 Fourth annual workshop - NOT YET COMPLETE

March 2016 Second stage case studies begin – round one organisations - COMPLETE

July 2016 Second stage case studies complete – round one organisations - NOT YET COMPLETE

October 2016 Fourth annual survey launches - NOT YET COMPLETE

### **2017**

February 2017 Annual Review 2016 - NOT YET COMPLETE

February 2017 Annual Report 2016 - NOT YET COMPLETE  
March 2017 Fifth annual workshop - NOT YET COMPLETE  
March 2017 Second stage case studies begin – round two organisations - COMPLETE  
July 2017 Second stage case studies complete – round two organisations - NOT YET COMPLETE  
October 2017 Fifth annual survey launches - NOT YET COMPLETE  
November 2017 Annual Review 2017 - NOT YET COMPLETE  
December 2017 Annual Report 2017 - NOT YET COMPLETE  
December 2017 Final report - NOT YET COMPLETE  
December 2017 Final presentation - NOT YET COMPLETE

## **2. Summary of the Annual Review**

The Annual Review document contains the findings from the monitoring and tracking work that is on-going for the duration of the evaluation project. This work includes monitoring organisations' progress against their fundraising targets, the tracking of financial indicators such as income streams and fundraising expenditure which are gathered in a web survey annually, and the monitoring of the financial health of a control group (organisations which were unsuccessful in their application for a Catalyst: Endowment grant). There have been three Annual Review documents to date.

### **2.1 Headline findings**

The key findings of the Annual Review 2015 (November 2014 - October 2015) are as follows:

#### ***Progress against fundraising targets***

- Five first round organisations are ahead of schedule with their fundraising, 11 are behind and none are on-track. In the second round, five are ahead, eight are behind and again none are on-track.
- First round organisations have drawn down 44% of the £27.5m awarded to them, which shows some progress from the 36% in 2013/14.
- Second round organisations have now drawn down 40% of the £8.5m awarded to them, which shows substantial progress from the 8% drawn down in 2013/14.

#### ***Financial status changes***

- The biggest reliance on an income stream in 2014/15 is grants from trusts and foundations. Previously it was 'donations from individuals - major donors (£5,000 or more p.a.)'.
- The greatest change in fundraising expenditure was in event costs which increased by 14 percentage points to 25%, followed by donor care which increased by 12 percentage points to 32%. In comparison, resources spent on grant applications had the smallest growth of less than one percentage point.
- The number that said that they had already recruited fundraising staff had decreased slightly, although this was probably due to the decrease in sample size from last year. Just two organisations still intend to recruit fundraising staff for Catalyst.

#### ***The control group***

- In 2011/12, 23 of the 43 organisations (53%) declared an endowment, and in 2014/15 for the first time two organisations stated in their accounts that they had begun a new endowment. This is slightly higher than the pattern among the grantee organisations where 14 of 31 (45%) had an endowment before their grant award.
- Total voluntary income has now dropped for four years in a row for the control group, decreasing from £187m down to £128m in 2014/15. As a proportion of incoming resources, it has therefore dropped from 16% to 3.5%. The average value of voluntary income has increased from £3m to £3.5m in 2014/15. Among the grantee organisations however, total voluntary income always accounted for a larger share of voluntary income: the proportion dropped from 38% in 2011/12 down to 36% in 2012/13, only to jump markedly in 2013/14 to 67% due to the drop-off in trading income and more reliance on grants and donations from individuals. In 2014/15 the growth in voluntary income as a proportion of total incoming resources has continued by rising to 77%, a jump of ten percentage points. This is due to an increase in legacy donations and grants from trusts and foundations, which have together offset a growth in trading income.
- Grant income has increased over four years to £1.34b, and it has also remained fairly consistent as a percentage of incoming resources, dropping from 42% to 37%. The average value of grants received by organisations was £37m in 2014/15. Grant income continues to be very important in terms of bringing in an income to the control group organisations. For the grantees, grant income has grown substantially in 2014/15, increasing by 11 percentage points to 24% of total incoming resources. It is now the largest voluntary income stream, having replaced the individual major donor donations which have this year dropped ten percentage points to 14% of incoming resources.

### **3. Case studies**

The case study element is the qualitative portion of the evaluation project. It is a two-stage process and the first stage is now complete. In the first stage, 30 organisations were visited (The National Museum of the Royal Navy is excluded from the methodology as they achieved their full target at an early stage, and so a case study would not be appropriate for them) in the first year or two of their grant to conduct an interview which led to a case study document. This stage captures the early fundraising work of the organisations, their thoughts on the Catalyst: Endowment scheme and future fundraising plans. By visiting them it is possible to see what they have already achieved through capital appeals and previous Heritage Lottery Fund grants, and to meet them in person. By meeting in person a relaxed interview can be achieved, so that the maximum level of detail can be obtained. It also has the benefit that they feel that the line of communication with the evaluation team is firmly open.

The second stage of the process is a phone call to all 30 organisations either in the final year of their grant period or earlier if they are either on-track to finish early or have actually finished early, to gather their perspectives on the project as it is coming to a close. This will culminate in a document which focuses on retrospective views of the project, but also draws upon the first case study document.

#### **3.1 Completion status**

Of the 30 first stage case studies being conducted, all 30 have been completed. All of the case studies were conducted by Liz Lipscomb, with the exception of The Linen Hall and the London Wildlife Trust which were both conducted by Beth Breeze.

By November 2015, three of the 30 second stage (or follow-up) case study interviews have been completed, and many more are anticipated to be conducted in 2016 as round one grantee organisations complete their fundraising programmes.

### **3.2 Methodology**

After the first workshop that the round one and two grantee organisations attended in 2013, the main contacts were telephoned to tell them in more detail about the case study work, to answer any questions about The University of Kent's role in Catalyst: Endowment and their case study visit, and to book a date for the case study itself. The date was chosen by the organisation based on issues such as wanting to get started with their fundraising before the visit, choosing a quiet time (such as avoiding an exhibition) or making sure that they are open to the public at the time of the visit. All of the organisations have been visited, with the exception of the National Museum of the Royal Navy which is not part of the case study process.

The topics covered in the first stage of the case study process include:

- Experiences so far in the Catalyst programme.
- What fundraising has been done to date
- What their ultimate endowment target is
- Their fundraising plans and target donors
- Whether an endowment was already planned
- Future plans for the organisation
- How embedded Catalyst: Endowment is in the organisation
- Whether they will diversify their income streams
- Experiences of any changes in donor attitude towards heritage organisations
- Private funding successes and challenges
- Non-monetary benefits from donor relationships
- Need for new fundraising skills
- Other impacts on financial sustainability of the organisation
- Future sustainability
- Achievement of the outcomes: heritage will be better managed; your organisation will be more resilient
- Advice to fellow or future grantees
- Experience of the Heritage Lottery Fund's application and grant management process

The second stage of the case study methodology is underway, earlier than planned due to the early completion and near-completion of a few organisations. This stage involves having a telephone call of approximately one hour with each of the 30 organisations either in the final year of their grant period or earlier if they are either on-track to finish early or have actually finished early, to gather their perspectives on the project as it is coming to a close. This will culminate in a document for each organisation which focuses on retrospective views of the project, but also draws upon the first case study document for context.

The topics covered in the second stage of the case study process include:

- Summary of the situation at the time of the first case study
- The key learnings about fundraising for an endowment since the last case study
- Recent experiences of fundraising
- The overall success and challenges of the fundraising
- How actions matched up with fundraising plans
- How fundraising for an endowment compares with other types of fundraising
- Does the organisation intend to keep fundraising for the endowment
- The difference the endowment will make to the organisation
- The organisation's future hopes and expectations for the next five years and beyond
- Any unexpected factors that impacted upon fundraising
- For those that did not complete: The reasons behind not raising all the money intended
- With regard to the work that raising an endowment involves, how worthwhile was it
- Recommendation of fundraising for an endowment to other organisations
- Achievement of the outcomes: diversification of income, better manage your heritage and becoming more resilient
- Other benefits from having a Catalyst: Endowment grant
- Thoughts on the Catalyst: Endowment grant scheme
- Advice to HLF on the programme going forward
- Usefulness of grant matching for fundraising
- Capturing new donors because of Catalyst: Endowment
- Enhancing existing relationships with donors because of Catalyst: Endowment

### **3.3 Findings**

#### ***First stage of case studies***

A summary of the recurrent themes raised during the first stage of case study visits is as follows:

#### **General themes**

- All of the organisations, during the case study visit are interested to know how other organisations are doing
- Most/all of the organisations have a long-standing relationship with the Heritage Lottery Fund, having received capital grants in the past, and many are either in the process of applying for new grants or are planning to apply for new funding in the near future

#### **How organisations plan to use their endowment**

There is a mixture of ways that organisations plan to use their endowment. For many, conservation, preservation and maintenance is key but it is also a way for some organisations to keep their doors open and to give them the security of a future income. The endowment of salaried posts has been mentioned fairly frequently as the aim of the endowment. Other uses include the advancement of education/knowledge, exhibition/collection improvements, outreach/engagement and work with volunteers. Restoration has also been raised in addition to conservation and preservation.

### **Thoughts on Catalyst: Endowment**

Many organisations had already planned to build an endowment, or were already beginning to raise money. For others an endowment was not originally in their fundraising plans, but they capitalised on the opportunity. Many also plan to keep fundraising beyond the grant award period to reach a higher level in order to increase their resilience. The endowment becomes some organisations' total focus, while for others it runs alongside other campaigns or projects. Some of the organisations had an endowment before applying to HLF, although this was the minority of organisations. Most organisations said that if they had not been awarded the grant, they would have gone ahead and begun to fundraise for an endowment, although most said that they would have started later and worked at a slower pace.

### **Diversification of income**

In the case studies, there was not a huge sense that the endowment fundraising would significantly diversify income streams, but mainly because the organisations felt that they were already diversified in this regard. Whilst the majority of organisations still said that Catalyst would not cause them to diversify their income streams, in 2014 a few organisations mentioned that they would start a legacy programme for the first time, and one reported that they were going to start a lottery.

### **Target donor groups**

Major individual donors were mentioned several times as a key target group, but the general public, trusts and foundations, Friends and Patrons/members were all raised, as well as seeking legacy donations.

In 2014 there was an emphasis on prioritising speaking to people they already know far ahead of gaining new leads. Newly mentioned types of donors to target included personal trusts, visitors, city workers, and a few organisations mentioned that they would look overseas as well as in the UK.

### **Charity structure**

There was a mixture among the organisations between holding the endowment as a separate restricted fund within their main charity's accounts, to creating a separate charity specifically for the endowment, usually with separate trustees. The separate charity option is particularly useful when the purpose of the endowment is not closely linked with the main charity's objectives.

### **Outcomes**

Generally, the organisations felt that they would achieve the outcome of 'heritage will be better managed'. For some, the management would be physically obvious as it would be done through building maintenance, whereas for others it was about bringing in new staff who would in turn manage the heritage. Again, in 2014 some organisations mentioned endowing existing posts so that they could in turn manage the heritage. Several organisations were focused on learning, others public engagement and improved visitor experience.

For the 'your organisation will be more resilient' outcome whether through maintaining something physical or having the security that they will be able to keep the doors open, they anticipated increased resilience. For some organisations resilience was about no longer

being reliant on visitor income or fundraising to keep the doors open, for others it was about keeping posts secure or aiding their independence.

### **New fundraising skills**

Generally, organisations did not anticipate needing to learn or acquire new fundraising skills especially for endowment fundraising. Among the second round of organisations, there was more learning taking place around how to fundraise for an endowment, than had been evidenced in the first set of case studies. Some needed to learn about endowments and their management, as endowments were often new to the organisation as well as the staff. For some this involved working out how to manage an endowment alongside a capital appeal. Writing trust and foundation applications was another skill learned. Some organisations planned to bring in new skills to deal with endowment work that needed to be done.

### ***Second stage of case studies***

Three follow-up case studies have been completed to date and this section gives a summary of their case studies.

### **Key learnings**

Two organisations spoke about seizing opportunities as they arise when fundraising for the endowment. Beyond that, the learnings were quite diverse and included thoughts about maintaining momentum, using a campaign format, not directly mentioning 'endowments', the Director being personally involved in the ask, the endowment being more difficult than a capital campaign, remembering that it is the organisation and its collection that people give to rather than the endowment target, and setting up a fundraising committee so that no one person is solely responsible for the endowment fundraising.

### **Overall successes and challenges**

The key successes for the three organisations were to have made a plan and stuck to it, to have opportunistically applied for and won a grant, and to have secured early pledges off the back of a recently completed capital campaign.

The major challenges for the three organisations were stated as keeping the Catalyst: Endowment fund going after the grant period ends, getting gifts of over £5k was rare for one organisation, and that donors were reluctant to transfer capital to the charity because it meant that they would be giving up the power to decide what would be funded by their donation once it was in the endowment.

### **Alteration to the fundraising plan**

Two of the three organisations did change the fundraising plan that they had submitted in their application, and one had followed it quite closely. One organisation that decided to deviate from the original plan did not work on legacies and corporates, and the other had less reliance on trusts than planned. In addition, an organisation decided to produce an Annual Review which then led to donations so it works as part of their fundraising tools, and another found that they could offer double-matching to donors because of a grant from a trust.

### **Fundraising**

There were varied thoughts offered on the fundraising experience under Catalyst: Endowment. The matching element of the grant was mentioned by all three as being the

most important part of the scheme as it acted as a motivator, built confidence in donors, and often tipped the balance in achieving a donation. The other experiences offered included: integrating the endowment into everything the organisation does works, fundraising for the endowment is like a capital campaign, and organisations need to nurture donors to connect with them for life.

### **Effects of building the Catalyst: Endowment fund on the organisation**

As the three organisations are very different, the effects of Catalyst: Endowment on them are also very different. However all three stated that one effect is that it has helped them to diversify their income and reach new donors. The other most notable effects mentioned are that it will help them to reach their higher fund target; it has demonstrated to donors that they are planning for the future; it has caused them to learn lessons that are vital in their ability to manage relationships with donors; it has improved relationships with partner organisations because they could see how hard the organisation was working to bring in money; the fund gave leverage to set-up a double-matching scheme and it has given the organisation security and confidence.

### **Outcomes**

All three organisations agreed that the outcome of 'heritage will be better managed' was achieved. For one this meant acquiring new objects for the collection, for another it meant achieving longer-term stability for the organisation and its community engagement projects, and for the third it was anticipated that this success would bring other successes.

Again, all three organisations agreed that the outcome 'your organisation will be more resilient' was achieved. Resilience means something different to each organisation, and for these three they saw it as having new income streams; having the ability to communicate how to give to the organisation; raising general awareness of the organisation and what it does; the donor base having confidence in the organisation; not needing to worry about funding crucial posts; and guaranteeing free entry into the future.

### **Thoughts on the Catalyst: Endowment programme**

All three organisations suggested that there need to be more HLF-run workshops for applicants if the grant programme is to continue in the future. One suggested a workshop where applicants can speak early on to organisations which already have a grant, to hear their experiences and decide what grant size they should apply for. Another suggested that in the workshop applicants could hear how being awarded the grant will change an organisation, so that they are not under the illusion that it is easy money. Another idea was for the workshop to enable those with a grant to tell potential grantees what they need to have in place before they begin. Training sessions for fundraisers was also proposed.

Other thoughts on the programme included that it is valuable as it particularly helps smaller charities to get a solid grounding and then grow and it forces organisations to look ahead. The idea was also raised that a smaller £250k grant might be a good idea.

### **Thoughts on the endowment**

Two of the organisations recommended endowments to other organisations, the other did not mention it specifically but said that they are worthwhile. One stated though that they would only recommend it if the organisation was ready for it. It was said that it is best to create an endowment even if you are not going to use it for years, and that it is worthwhile

even if it will not be possible to build a huge one. Finally, it was noted that it can be difficult to build an endowment when starting from scratch.

### **Plans for the future**

The plans for the future are very different for each organisation. One will continue fundraising towards their higher target and will look at their collection in terms of how people engage with it. One organisation is going to launch a digital infrastructure project and strengthen relationships with the academic sector, and the final organisation is going to be increasing the endowment target, working with the community and repeating their double-matching scheme in future.

### **3.4 Next steps**

The second stage of the case study methodology, which is to telephone organisations that are either nearing completion of their endowment or have completed their fundraising will continue until they have all been interviewed. This process began earlier than originally planned, in 2015 and is scheduled to be finished in 2017.

## **4. Annual workshops**

The University of Kent runs a workshop for grantee organisations early each year, where organisations, case officers, national office staff and the evaluation team are invited to come together to network, discuss experiences, share fundraising progress, and to learn from experts who are invited to speak at the event. Four workshops have been held to date, two in 2013 (one for each round of organisations), one in 2014 and one in 2015.

In 2015, the annual workshop was held in London in March, and was an opportunity for all 31 grantee organisations to come together. 24 of the 31 (77%) grantee organisations were able to send a representative to the workshop. Overall just one organisation is still yet to attend a workshop organised by the evaluation team. This gives an overall attendance rate of 30 out of 31 (97%)

### **4.1 General feedback on the 2015 workshop**

The 2015 workshop built on the feedback from the previous workshops, and as such had a similar structure with presentations, group discussions and networking breaks. A successful event, attended by a high percentage of grantees, that provided a useful space for sharing and mutual support as well as 'inspiring' input from three external speakers, that left delegates with a sense of 'renewed vigour' (both quotes from feedback forms). 100% of delegates said that the event was either 'very good' or 'good', with just under half (44%) of these saying 'very good'.

### **4.2 Speakers**

William (Bill) Conner, Fellow and Development Director at Wolfson College; Abigail (Abi) Rotheroe, Deputy Head of Charities at New Philanthropy Capital; and Rebecca (Becky) Williams, Director of Audiences and Development at the Tate all spoke at the event.

Bill gave a presentation about his experiences of fundraising for an endowment in America and shared examples of endowment campaigns. Some of the key points he made were that:

- Endowments are not a new idea, they date back to medieval times and there are examples of this at both Oxford and Cambridge universities.
- At Oxford, endowments are mainly used for scholarships and research.
- In the US, endowments are often several times larger than the organisation's operating budget. In Higher Education endowments are generally seven times larger.
- It is important to develop your boss into a good fundraiser and to having good leadership in the organisation.
- Lead gifts are crucial for acting as a catalyst to lead to further donations.
- Legacies are an important source of money for the endowment.

Abi gave a presentation about the ways in which heritage organisations can fundraise in the future, based on a study conducted by NPC. Her slides covered the results of a survey on the future of funding options conducted for HLF. Some of the key points she made were that:

- The sector has lost substantial government funding.
- Diversification of income: 64% is grant income, government or otherwise
- Alternative sources of income are social investment, debt finance (bonds, loans), equity finance (issuing of shares) and alternative finance (crowd funding, payments for eco-system services).
- Organisations were either unconvinced or not that interested in debt finance but most engaged with alternative sources.
- Heritage organisations are believed by social investors to represent high risk and low impact investments.

Becky outlined her experiences of endowments and then took questions from delegates. Some of the key points that she made were that:

- At Kings College London the fundraising mix included endowment on a large scale, which is less so now.
- At Kings creating endowed posts and studentships was part of a whole strategy including an annual fund, major capital projects and some one-off pieces.
- There is enormous transformational capital fundraising in excess of £300m at the Tate and so the endowment campaign has not been the focus.
- The Tate is now thinking about endowments and creating a stable financial base. There is an increasing appetite for endowment fundraising from trustees.
- The experiences of different organisations when fundraising for an endowment will be slightly different, but the issues are exactly the same.

### **4.3 Roundtable discussions**

Early on in the workshop, all grantees were asked to speak in turn to introduce their organisation, and to give an example of at least one thing that has worked particularly well in their Catalyst fundraising, and one challenge. Five key themes arose from the discussion:

- Several organisations reported difficulties with staffing and high turnover. For some this has slowed down overall progress.
- For most of the grantee organisations, it has been challenging to prioritise or balance Catalyst against other work. For many Catalyst has had to operate in parallel with

other significant fundraising campaigns, and in some cases it has taken second place.

- Closely linked to the point above is the theme that some organisations have been slow to get going for a variety of reasons including staff changes since the original bid, competing demands and lack of prioritising.
- The positive engagement of trustees was often mentioned as well as their active involvement in fundraising for the endowment and personal donations.
- America and its philanthropy market was raised by several organisations as an area they are, or wish to be, active in for their fundraising.

#### **4.4 Q&As**

There were two Q&A sessions during the workshop, with answers and suggestions provided both by speakers and by grantees, in an informal discussion format. The key themes that were raised during the sessions were:

- How successful is crowdsourcing?
- Advice on endowment fundraising in America
- How to prioritise the endowment against other work?
- How to keep donors on-board?

#### **4.5 Evaluation form results**

27 attendees completed their evaluation form, and all gave very helpful and positive feedback. The top-level summary of results is as follows:

- 100% of delegates said that the event was either 'very good' or 'good', with just over half (56%) saying 'very good'.
- In the majority of the elements of the organisation scores, the majority of attendees said that they were either 'very satisfied' or 'satisfied'.
- In the majority of the elements of the content of the event scores, the majority of attendees said that they were 'very satisfied' or 'satisfied'.

Actions that grantees highlighted that they would take forward as a result of the workshop included:

- Inform their legacy strategy
- Share information with their team and stakeholders
- Introduce other people's ideas
- Get trustees on board

#### **4.6 Future workshop ideas**

The grantee organisations were asked in their evaluation form to suggest ideas for future events, and these ideas are listed below. The evaluation team and Heritage Lottery Fund will also consider the possible themes for future events, in addition to those raised in 2014:

- Presentations aimed at the needs of smaller organisations so that it is more relevant to them.
- Fundraising for an endowment after Catalyst

- Having presentations from organisations that have finished working on Catalyst next year
- Fundraising for an endowment alongside other types of fundraising

#### **4.7 March 2016**

The next workshop will take place in March 2016, and will again provide plenty of opportunity for attendees to network and share their fundraising experiences and plans with each other. Speakers who can speak to the group on legacy giving, possibly also enhancing online fundraising (e.g. crowdsourcing) and a general speaker are being sought. The event is planned to be held in central London again.

## **5. Looking ahead**

### **5.1 The next 12 months**

The University of Kent was awarded the contract to evaluate the Catalyst: Endowment programme in January 2013, and the evaluation project has now been in operation for three years and one month. In the coming 12 months, the following activities are planned:

March 2016

- Annual workshop

April 2016

- Annual workshop reports (one for delegates and one for HLF internal use)

October 2016

- Fourth survey to grantees distributed

February – November 2017

- Conduct second stage case studies
- Monitoring of the control group
- Monitoring of draw-downs and progress reports

### **5.2 To 2017**

Beyond the next 12 months, the evaluation project will begin to look towards 2017 when the round two organisations reach the end of their four-year grant award.

In 2016-17, the following annual outputs are scheduled:

- Annual workshops
- Annual workshop reports
- Annual Reviews
- Annual Reports
- Monitoring of the control group
- Monitoring of draw-downs and progress reports
- Survey analysis

Following the successful completion of the first stage of the case study process in 2014, (in which grantee organisations were visited, an interview conducted and case study document

produced), the second stage of follow-up case studies started in 2015. This is a year earlier than first predicted, because of the excellent progress made by three organisations. In this second stage, each organisation is being interviewed by telephone towards the end of their grant period to learn about their revised thoughts on what it was like to be involved in Catalyst and what their organisation got out of the experience. These calls culminate in a new case study document which includes some of the information from the first study, but focuses on the views of the organisations about Catalyst as a retrospective.

In 2017, the following final deliverables are scheduled (in addition to the annual outputs):

- Final report in Word/Excel
- Excel databases created during the evaluation
- Presentation of project findings