

Background & Context – Reasons for Response

A&B Cymru has been promoting, enabling and developing mutually beneficial partnerships between business and the arts for almost 30 years. As the only organisation of its kind in Wales, its expertise and network is truly unique. Working across the country with businesses of all sizes and from a wide range of sectors, A&B Cymru is in the ideal position to provide in depth intelligence about business motivations, objectives and trends in supporting the arts.

Since its independence in 2011, A&B Cymru has also been working closely with both Wales and London based trusts & foundations, not just to support its own work, but to enable investment into arts organisations. More recently, this work has been extended to include individual philanthropists.

A&B Cymru's experience and success in diversifying its own income in order to ensure survival is illustrated by the reduction on its reliance on public funding from 66% in 2012 to just 17% in 2017.

The points outlined through this paper are drawn directly from the knowledge gained by working closely with businesses, individuals and trusts on a daily basis. To ensure the paper is useful, A&B Cymru has concentrated solely on these areas of its expertise.

The Role & Reality of Private Sector Investment

A&B Cymru's definition of the private sector includes businesses, trusts & foundations and individual philanthropists. Each has an important role to play in helping to ensure the sustainability of the arts in Wales and there is still considerable potential to lever a higher level of investment from these sources than is currently secured. However, it is important that the approach to non-public funding of the arts is realistic. There is no single answer which will replace public sector funding and each organisation must strive to achieve a true diversity of income. This requires a substantial investment of skills, time and resource. Added to this, a number of key factors should be taken into account:

1. Motivation to support

Business: While many companies are minded to invest in the arts, it is not their core remit. To this end, when making decisions, potential sponsors will be looking at the bottom line objectives the arts can fulfil for them. For example, a business wishing to engage effectively with the community will want to do so because it will help the company's profile, reputation, recruitment and operation. It will partner the arts to help achieve these objectives in tangible and effective ways, not because of a philanthropic belief that it has a duty to support. The mistake that many organisations make is to approach potential sponsors from a viewpoint of "what are our funding gaps?" rather than "what needs could I fulfil for that company?"

Added to this, investment in the arts is viewed by business as "non-essential spend". It naturally follows, therefore, that it is among the first things to be cut when external forces result in a challenging time in the market.

Business partnerships with the arts are ever-changing and dependent on the economic climate, individual needs and current trends. Decisions are often taken at a London head-office level and out of the control of Wales-based staff. Many of the major sponsors of the past (e.g. Tesco, Legal & General, Barclays) no longer invest in the arts. However, A&B Cymru is constantly assisting businesses to sponsor for the first time, helping to ensure their experiences are successful in order to sustain support. This is a substantial task which takes much of A&B Cymru's staff time.

In addition to this constant change, motivations to partner the arts are also continuously shifting. For example, the ageing population has directly resulted in an increase in the number of businesses wishing to support projects which benefit older people. Similarly, there is currently a sharp increase in the number of companies seeking arts based training to address staff development needs. This kind of partnership has not been a priority for at least 2 years. However, in the past month alone, A&B Cymru has been asked to identify artist trainers to meet the needs of 6 of its business members.

Trusts: While many trusts & foundations have clearly defined priorities, others remain purposely broad so that decision making is highly subjective, allowing trustees to invest in projects for which they have a particular passion.

Competition for trust funding is fierce, though many London-based trusts still express a desire to invest more in Wales, stating that the number and quality of

applications remain low. This view is gradually changing as more skilled fundraisers emerge (see Skills Gap below) and an increased number of organisations secure support.

Individuals: Naturally, individual philanthropists are motivated by their own passions and will invest their wealth into projects and organisations in which they have a personal interest. While there is scope for the arts to secure substantial income from major gifts, accessing these individuals can be difficult. Securing donations is also a very different fundraising skill to negotiating a sponsorship deal or applying for a grant from a trust. This is just one of the reasons that underline the importance of ensuring Wales has enough skilled fundraisers working in the arts.

2. Core Funding vs Project Funding

The single biggest challenge facing any arts organisation looking to secure support is that no-one wants to be responsible for core-funding. The only minor exception is sponsorship which involves the delivery of agreed benefits in return for cash or in-kind investment. Beyond this, sponsors are not interested in how exactly their money has been allocated and so a contribution towards core costs is easier to ensure.

Generally though, business, trusts and individuals wish to invest in projects. It would therefore seem logical that public bodies with a remit to support the arts should explore the feasibility of moving away from project funding to focus instead on the essential staff and overhead costs needed to keep organisations operating. This would make a considerable contribution to the ability of arts organisations to secure funds from a range of partners.

Private sector funders are keen to ensure that no organisation becomes overly dependent on their support. This is illustrated by their reluctance to support projects for more than 3–5 years.

Added to this, however successful a project has been, private sector partners are averse to becoming “replacement” funders when a grant comes to an end. The arts therefore face the constant challenge of creating new projects in order to gain support and inevitably, effective and much needed projects are lost.

3. The Skills Gap

The Creative Internships Programme

Securing a funding mix is crucial to the survival of the arts and organisations of all sizes now recognise that investing resources into this area is the only way to ensure sustainability. However, there is an insufficient number of skilled professional arts fundraisers in Wales. A&B Cymru believes that the only way to increase this vital pool of professionals in the long term, is to establish arts fundraising as a viable and attractive career path.

Through its Creative Internships Programme, A&B Cymru has been striving to achieve this ambition in a tangible and effective way for the past 5 years. The initiative places recent graduates into arts organisations as trainee fundraisers, providing in-depth training and development and enabling participants to begin their careers in the strongest possible position. The Programme has already proven itself to be a successful way of addressing a very real barrier to the sustainability of many arts organisations. To date, of the 16 graduates who have completed placements, 13 are now professional fundraisers in Wales.

However, as referenced above, even though the programme is still both hugely needed, one of the 3 funders who have supported the initiative since its inception has indicated that it would not accept an application for year 6 and that A&B Cymru needs to propose a new project in order to secure support.

Career Progression

While the Creative Internships Programme is nurturing a new generation of fundraisers, there is currently no formal career progression for arts development professionals. As arts organisations increasingly need to secure high level income from a range of sources, the ability to access advanced fundraising skills is becoming crucial to success. A&B Cymru will review this skills gap over the coming months with the aim of establishing a new arm to the programme which gives junior and mid-level fundraisers the opportunity to develop their expertise and experience further.

4. Measuring Success

Until 2011 when A&B Cymru, Northern Ireland and Scotland became independent charities, an annual Private Investment in Culture survey was conducted across the UK. It was an invaluable tool in measuring and comparing not just investment levels but trends across each part of the UK. The individual charities no longer

have the resource to fund such an activity but finding a way to re-instate a similar model of measurement would be a truly worthwhile investment.

5. Partnership Working

Shared resource

While many arts organisations understand that they need to find resource to employ a professional fundraiser, the majority of those operating in Wales are small companies who simply cannot afford the wages of a highly skilled full-time fundraiser. To this end, organisations must be open to employing a part-time fundraiser who is likely to be fundraising for other arts organisations at the same time. A&B Cymru has been promoting this way of working for a number of years and the idea is usually met with an initial level of mistrust and suspicion. However, in practice, each organisation quickly realises that their concerns about confidentiality or split loyalty were unfounded and that the sharing of resources can result in positive and useful partnership working.

Strategic partnerships

A&B Cymru's ethos is based on the belief that true collaboration makes all involved stronger. Wales is a small country with limited resources and the only way to achieve its ambitions is for organisations to form mutually beneficial strategic partnerships. An example of this is Wales' urgent need to improve the provision of music tuition for children. It is widely agreed that without tangible action and increased investment, the future is bleak for music across the country. Welsh Government and Arts Council of Wales are already taking steps to achieve this ambition. However, despite a clearly stated need to secure private investment, no consultation with A&B Cymru has taken place at this stage. Meanwhile, the charity has been asked by a philanthropist to create a scheme which would provide free instrumental tuition for children living in poverty and plans are underway to deliver a pilot of such an initiative. A&B Cymru has also spoken to a number of trusts and businesses willing to contribute. It would be short-sighted of A&B Cymru to proceed with this project alone and so the charity is keen to discuss the potential of strategic partnership working with ACW.

A&B Cymru believes that this approach is the only way to ensure success with such major and far-reaching ambitions.