



The impact of COVID-19 on arts organisations

This research forms part of NPAC's work exploring the impact of the arts as a driver for new philanthropy. Through a combination of interviews, emails and desk-based research we set out to understand how the pandemic had affected arts organisations and the impact they are able to make on their beneficiaries, and to identify how they might better mobilise philanthropic opportunities.

From December 2020 to January 2021, we held in-depth interviews with eighteen of the featured case study organisations, a summary of these organisations can be found in the Appendix. These interviews, supported by additional research, provided an insight into the impact of the pandemic and the needs of arts organisations in engaging philanthropists in their work.

Whilst some of the organisations found their work significantly more impacted than others, general themes did emerge from these conversations which went on to inform the recommendations of this report. These general themes are summarised below.

Impact of Covid

Cancelled and delayed activity: all the organisations were in the midst of in-person delivery when the pandemic started and had to immediately cancel or postpone these projects. Many organisations honoured payments to freelance staff who would have been worst affected by lockdown and unable to benefit from the furlough scheme despite a loss of income from the cancellations.

Loss of income: thanks to flexibility from grant funders and emergency support, many organisations were in a financially stable position in the short-term but faced a much more uncertain future, often many months behind in their ongoing income generation.

Online activity: for some organisations it was possible to move activity online immediately whilst others were unable to provide a digital offer or had to develop new projects that would work via online delivery. There were some unexpected benefits from online projects, including the ability to reach participants who would have been unable to attend in person and to work with larger numbers of beneficiaries. Other participants struggled with the move online due to lack of equipment, poor quality broadband or insufficient experience engaging with online activity.

New income opportunities: a small number of organisations were able to monetise aspects of their digital offering, creating new sources of income. However, most others reported additional costs, without increasing earned income.

Digital inequalities: the shift to online activity highlighted the many digital inequalities faced by beneficiaries across the country, from rural communities with low bandwidth to participants with no access to smartphones. Most organisations focused on restarting in-person activity as soon as possible as well as developing projects by correspondence and delivering content via radio stations. Some organisations distributed devices to participants to enable their participation to continue.

Importance of strong partnerships: for several organisations, it was only possible to continue with delivery thanks to the strong partnerships that had been developed over

many years. For example, relying on staff in prisons or care homes to facilitate activity with beneficiaries.

Opportunities for strategy development: with lockdown forcing a temporary end to in-person activity, some organisations took the opportunity to focus on strategy development or to fast-track elements of their business plans.

Mobilising Philanthropy

Fundraising capacity and diversification of income streams: the majority of the organisations we contacted are reliant on grant income from trusts and foundations and, in some instances, public funding. Most reported that their funders were flexible with the grants during the pandemic, creating a lifeline for organisations who might not otherwise have survived. There was a recognition among interviewees of the need to diversify income streams and several of the organisations have commissioned consultants to develop capacity for individual giving. However they have been unable to implement these strategies due to lack of staff resources and a lack of confidence due to minimal experience in this area.

Role of the Board: for many organisations, whilst trustees are generous with their time, there is not a culture of financial giving from Board members. In addition, trustees are often not engaged with fundraising strategy, be that due to minimal staff capacity to engage Board members in this way, or uncertainty from trustees as to how best they could support fundraising for the organisation.

Individual giving schemes: only a couple of the organisations interviewed had individual giving programmes. Several were in receipt of a small number of individual donations but hadn't yet set-up more formal friends and patrons schemes. In most cases, this was due to lack of experience and/or capacity within the fundraising team. However, for a small number of organisations, it was felt that current audiences didn't have the resources to support financially and there was no fundraising strategy in place to establish philanthropic giving through wider networks.

Larger donations: only three of the organisations interviewed were in receipt of larger philanthropic gifts, often as one-off gifts (specifically in response to the pandemic) rather than annual donations through a high-level patron scheme.

Understanding philanthropy and opening up networks: whilst some of the organisations do have small individual giving schemes, many lack the resources or understanding to develop large-scale philanthropy initiatives. There was a recognition of the opportunities for local philanthropy and an interest in place-based giving but requiring support to understand how to tap into these local networks.

Learnings

Our research showed a range of experiences from organisations in response to the pandemic and a breadth of engagement with philanthropic giving. A summary of key learnings and related recommendations are included here that could support the mobilisation of new philanthropy as organisations emerge from the pandemic.

The pandemic required organisations to test new ways of working and engaging beneficiaries. Some of these activities have created opportunities to develop new business models with scope to incorporate philanthropy as part of a greater diversification of income streams. However, smaller arts organisations lack the resources

and capacity, both within staff teams and from board members, to develop and implement individual giving strategies. For those organisations with some element of individual giving, there is often a clear link between the motivations of the philanthropist and the local impact of the activity but further support is needed to access and build these local networks.

Recommendations

- **A Philanthropy Toolkit:** should be created to help organisations attract contributions from philanthropists. This would be of particular benefit to smaller arts organisations which lack the resources of a professional development team. The toolkit could be available as an online resource, providing the following introductory tools for arts organisations seeking to increase their philanthropic giving:
 1. Making the case for support
 2. Setting up a culture of individual giving
 3. Finding supporters
 4. Making the ask
 5. Understanding the rules (Gift Aid, VAT etc)
 6. Looking after donors
- **Mentoring and advocacy:** those organisations wishing to build their philanthropic engagement might benefit from advocacy and mentorship from established arts philanthropists and senior arts professionals. As advocates, this ad hoc support might include holding online consultations, hosting events, providing board development or training and supporting board members and fundraisers in 'making the ask'. As mentors, a longer-term relationship might take the form of support to senior staff, contributions to organisation and fundraising strategies, support for chairs and board members, additional support with 'making the ask', how to approach networks, and supporting staff to engage board members in fundraising. This support is likely primarily to be of use for small and medium scale arts organisations who lack the scale and resources to invest in a philanthropy team.
- **Using the societal impact of the sector to drive incremental giving locally:** where organisations have some element of individual support, there is often a clear link between the motivations of the philanthropist and the local impact of the activity being supported. The existing case studies and case for support for the sector, could be used to drive significant local philanthropy, supported by the creation of place-based networks around the country. Work is now underway to pilot these networks, with further information available at artsphilanthropy.org
- **Business model development:** further research is needed into funding models that could support organisations to innovate their business models and diversify income streams. This research into funding models is available as a separate paper at artsphilanthropy.org.uk

Appendix

We would like to thank all the organisations that met with us and shared their experiences and local expertise with us. Interviews were held with the following organisations:

ORGANISATION	PROJECT	GENRE	LOCATION	PROJECT SUMMARY	BENEFICIARIES
Artlift	Arts on Prescription	Visual Arts	Gloucestershire & Wiltshire	A range of courses and projects to support improved and sustained health outcomes for participants	Adults with longer-term and/or significant mental health conditions
Arts & Health South West	Alternative Visions	Visual Arts	South West / Oxford	A major touring exhibition developed with Outside In and Bristol Culture	Artists facing barriers to the art world
Arvon	Writing the Game	Literature	London & South Yorkshire	Harnessing young people's love of football in order to engage them with writing and learning	Young people aged 13 to 16 who are underachieving and have negative attitudes to writing
Contact	The Agency	Theatre	Manchester	An entrepreneurship programme using creativity to enable young people to inspire positive change in their community	Young people aged 15 to 25 from underserved communities
Fallen Angels Dance Theatre		Dance	Cheshire, Liverpool & Manchester	A dance company that supports people in recovery from addiction to transform their lives and to share recovery stories with the wider public through dance, performance and creativity	People in recovery from addiction and with mental health challenges
Foundling Museum	Tracing our Tales	Visual Arts	London	A bespoke, paid training and mentorship programme for care-experienced young adults	Care-experienced young adults from London boroughs.
Frozen Light Theatre	The Isle of Brimsker	Theatre	Norwich	A multi-sensory theatre production about a lighthouse keeper, exploring themes of friendship, transition and how we respond to change	Young adults and adults with profound and multiple learning disabilities (PMLD).

Geese Theatre		Theatre	Birmingham	A team of theatre practitioners who present interactive theatre and facilitate drama-based groupwork, staff training, conference performances and consultation across the secure estate	Individuals who have experience of the criminal justice system, people with multiple and complex needs and those who work with them
Highlights Rural Touring		Combined Arts	Cumbria, County Durham & Northumberland	Bringing great arts and culture to rural communities, supporting professional arts events in small community venues	Isolated communities in the North of England
Irene Taylor Trust	Music in Prisons	Music	London	Creative music projects supporting individuals to form a band and generate their own original and innovative music	Men, women and young people in prisons
Restoke	Man Up	Theatre	Stoke-on-Trent	A participatory performance project addressing issues around masculinity and mental health	Men from all walks of life based in Stoke-on-Trent
Royal Philharmonic Orchestra	STROKESTRA	Music	Hull	A stroke rehabilitation programme that uses group creative music-making alongside professional musicians and clinicians to drive patient-led recovery in stroke patients and their carers	Stroke survivors and their carers, referred by Hull Integrated Community Stroke Service (HICSS) therapists
Soft Touch Arts		Combined Arts	Leicester	Using arts, media and music activities to make positive life changes for disadvantaged young people by supporting them to develop creative, social and employability skills	Young people who are struggling to reach their potential because of family problems, difficulties in mainstream education or other issues which are holding back their personal and social development.

Streetwise Opera		Music	London, Manchester, Nottingham, Newcastle/Gateshead & Teesside	A performing arts charity who run a programme of singing and creative workshops in homeless centres and arts venues; and an opera company, presenting new productions with participants performing alongside professional artists.	People who are or have been homeless.
Stopgap Dance Company		Dance	UK-wide	Creating dance productions for national and international touring, employing disabled and non-disabled artists	Diverse dance artists and audiences
The Choir with No Name		Music	Birmingham, Brighton, Liverpool & London	Running choirs for homeless and marginalised people, and delivering singing workshops for people at risk of homelessness	Homeless and marginalised people
The Music Works		Music	Gloucestershire	Transforming young people's lives through music and helping them pursue their dreams and aspirations	Young people facing barriers in music, in learning and in life
Writing East Midlands	Write Here: Sanctuary	Literature	Leicester, Nottingham & Derby	A residency project encouraging new relationships between writers and communities	Refugees and asylum seekers from Eastern Europe, South Asia, the Middle East and North and sub-Saharan Africa.