



## Research into Membership Models

A range of membership models were reviewed to explore the structure that could best support the recommendations of NPAC to create a network of regional groups of arts philanthropists. These findings have been summarised below alongside the findings from New Philanthropy Capital's (NPC) report '[Collaborating for a Cause: How cause-related networks can lead to more and better philanthropic giving](#)' commissioned by Beacon Collaborative.

NPC's research demonstrated that cause-related networks, when built effectively, can support and motivate more philanthropic giving in ways that create more impact. Of the membership organisations we reviewed, the majority offered members three main benefits: information and guidance; events and networking; and policy and advocacy. These link to the three key benefits of cause-related networks as identified in the NPC report:

1. a focus on a cause: providing cause-specific information and guidance, identifying and bridging gaps to present a clear picture of what change is needed and how it can occur
2. the distinct strengths of philanthropy: growing the capacity of members to give more effectively by identifying and sharing good practice including through networking opportunities and events
3. the benefits of a network: increasing collective impact, for example through policy change; rapid spreading of knowledge and ideas; ability to operate flexibly within an evolving landscape

NPAC's research demonstrating the impact of the arts made clear the link between the motivations of philanthropists and the local impact of the activity. This led to a focus in this piece of research on the best membership model to support the creation of place-based networks that would drive significant local arts philanthropy, rather than one national arts philanthropy cause-related network.

NPC provides a blueprint of four key stages required to build an effective cause-related network:

1. Connect: people coming together around a cause
2. Align: shared purpose for the network and an understanding of the cause
3. Enable: the different resources, infrastructure and activities that support members to action
4. Learn: continuous improvement of the cause-related network to remain relevant to the cause and valuable to members

It is vital that we recognise the need for nuance and specificity of each location in developing place-based cause-related networks of arts philanthropists. In that context we must also consider the recommendations of the NPC report to ensure an overarching shared purpose and opportunities for sharing resources and infrastructure across these networks.

## Financial models

From our research into membership models, the organisations reviewed tended to follow one of three different membership fee models:

- Members pay an annual fee on a sliding scale based on their total annual grantmaking or relevant spend, with fees ranging from £100 to £150,000
- Members pay an annual subscription fee for which they receive different benefits depending on the level of membership, with fees ranging from £5 a month to £12,500 a year
- Member organisations (federation model) pay a set fee each year for which they receive governance and operational support

## Learnings

- None of the organisations cover their full operating costs through membership fees and all rely on additional income generation primarily from events, grant funding and donations. A sustainable business model will need to be developed to ensure the long-term success of the network.
- Many funder networks have a small number of individual philanthropists as members, with the majority tending to be grant-making trusts and foundations with staff members as network representatives. Any place-based arts philanthropy network would need to have a flexible approach to structure and membership to ensure it is of relevance to local supporters.
- Whilst the federation model has clear benefits for enabling local networks (which are best placed to respond to the needs of the philanthropy and arts community in the area), it can lead to complexities around fundraising and branding. To ensure the success of a federation model, an overarching brand would be needed that unites regional networks with a common vision, and with clearly defined roles and responsibilities for regional hubs and any central governing body.

## Recommendations

- In the long-term, a federation model could best support the NPAC regional networks, enabling local specificity with a shared identity and purpose. However, in order to keep the administrative burden to a minimum, in the medium-term this could take the form of one charitable company with all regional networks contributing to central costs.
- In the short-term, NPAC could continue to be incubated by Beacon Collaborative as the regional networks and a viable financial model are established.
- Administrative support will be required at a regional and national level. There are different approaches to how the regional administrative support might be resourced. At a national level, a certain amount of administration will be essential to ensure oversight of the individual networks and support to set up new networks, updates on sector relevant news and to share learnings across the networks, opportunities for advocacy and governance support.

## Summary of membership organisations reviewed:

| ORGANISATION                              | WHAT DO THEY DO?  | MEMBERSHIP MODEL  |
|---|---|---|
| Environmental Funders Network             | A UK-based network for philanthropists supporting environmental causes. Their aim is to increase the amount of financial support for environmental causes and to improve its overall effectiveness. Their three main strands of work are relationship building (both between members and with effective environmental organisations); intelligence sharing; and research. | Members pay an annual fee on a sliding scale related to total annual environmental grant making. Ranging from £500 (for up to £50k annual giving) to £10k (for over £5m annual giving).         |
| Association of Charitable Foundations     | ACF is the membership body for UK foundations and grant-making charities, supporting them to be ambitious and effective in the way that they use their resources. They do this through the provision of policy and advocacy, research and information, and a wide-ranging programme of events and learning.   | Members pay a fee based on annual grant making. Full membership ranges from £100 (for up to £50k annual giving) to £6.5k minimum (for over £5m annual giving).                                  |
| London Funders                            | London Funders is a cross-sector membership network for funders and investors in London's civil society. They aim to enable funders from all sectors to be effective— bringing funders together to connect, contribute and cooperate to help people across London's communities.  | Members pay a fee based on annual giving. Ranging from £550 (for up to £500k annual giving) to £3.4k minimum (for over £20m annual giving).   |
| The Funding Network                       | TFN is an open network which links potential donors to charitable cases and social entrepreneurs through live crowdfunding. They aim to raise money for small non-profits driving social change and help both individuals and businesses to combine their giving with others, to make a bigger impact.  | Different levels of membership ranging from £50 to £500 for which members receive varying benefits  |
| The Fore                                  | The Fore is a seed funder for the non-profit sector. They use a venture capital style approach, opening up access to finance and professional expertise for small charities and social enterprises by bringing together businesses, funders and social entrepreneurs.   | The Fore doesn't have a membership in the same way as the other membership organisations listed here but is an interesting model for connecting philanthropists with those looking for funding. |
| Association of Medical Research Charities | The AMRC brings together and supports health and medical charities to produce high-quality research. They do this by influencing policy and research, and highlighting the sector's contribution to patient and public health.  | The subscription rate is 0.1688913% of the charity's annual medical research spend in the UK; with a minimum subscription fee of £397 and a maximum of £150,000 (plus agreed inflation rate).   |

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| <p>New London Architecture</p>             | <p>New London Architecture (NLA) is the world's leading centre for excellence for the built environment. Their purpose is to improve the quality of people's lives by making London a better place to live, work and visit.</p> <p>They produce research, exhibitions, events and publications year-round, to share knowledge and debate.</p> | <p>Different levels of membership ranging from £5/month student membership to £12,500 a year business membership for which members receive varying benefits</p>  |
| <p>Riding for the Disabled Association</p> | <p>The RDA is a federation organisation of member groups (RDA Centres) enriching the lives of disabled children and adults through horses. This includes activities like riding and carriage driving, providing therapy, fitness, skills development and opportunities for achievement.</p>   | <p>RDA operates a federation model with a central charity (RDA UK) providing governance and operational support to member organisations in return for a set fee.</p>   |
| <p>The Wildlife Trusts</p>                 | <p>The Wildlife Trusts aim is to restore a third of the UK's land and seas for nature by 2030. They are working to ensure that everyone in the UK has access to nature and the joy and health benefits it brings.</p> <p>There are 46 Wildlife Trusts across the UK.</p>  | <p>The Wildlife Trusts also operate a federation model. Every Wildlife Trust is a member of the Royal Society of Wildlife Trusts. This central charity's role is to ensure a strong voice for wildlife at a UK and England level and, internally, to lead the development of the movement. Taken together this movement is known as The Wildlife Trusts.</p> |