



# **Guildford Museum Capital Fundraising Strategy and Feasibility Study Executive Summary**



**Prepared by CAUSE4 – July 2019**

# **Brief**

Guildford Borough Council (the Council) is planning a major capital redevelopment to open a newly modernised Museum, gallery and learning space, that will bring together various curatorial assets in the heart of Guildford, Surrey.

To achieve this goal, the Council is assessing its fundraising capabilities and is exploring a potential fundraising vehicle through which to leverage funds, both for the capital appeal and potentially beyond.

The Council has sought consultancy support from *Cause4*, to develop an options analysis to assess the possible organisational entities through which to leverage funds, and to develop a clear fundraising strategy for the capital development project.

To meet the brief, this paper consists of the following:

- A summary of the existing Museum, the proposed project and *Cause4*'s initial analysis – both in relation to the current museum and future plans. This analysis will have a significant focus on the proposed messaging and positioning for the new Museum and directly relates to the fundraising strategy developed below.
- A focus on technological innovation within museums – a key strand of proposed activity to allow the Museum to make key links with the tech and gaming industries located in the Guildford region.
- An options analysis, outlining the different vehicles through which to fundraise and recommendations for moving forward.
- A fundraising road-map for success – including:
  - Messaging and positioning
  - Fundraising targets
  - Key fundraising activities and prospects
- Resources needed for success, fundraising return on investment and risks.

# **Executive Summary**

## **About Guildford Museum**

*Cause4* has undertaken a brief analysis of the current assets of the Museum and key areas for development with a focus on opportunities and challenges for fundraising. This is with a view to developing a coherent fundraising strategy to meet Capital Fundraising targets moving forward.

Significant positives were seen in the Museum's location at the heart of Guildford's heritage quarter, with its position within the town offering a clear opportunity to assume a central role as the local hub for culture and heritage. Furthermore, significant positives were seen in the large local potential audience and supporter base – with an opportunity for the new Museum to play a greater role as a key space in which the community can explore and celebrate its past, present and future.

However, despite these positives, there has been a significant drop in visitor numbers to just 13,000 and recent survey responses have demonstrated that the Museum is currently failing to fully engage the local community despite high levels of cultural engagement with other key sites locally. Poor signage dated displays and a need to better integrate with the wider cultural offer in Guildford have all been highlighted as key areas for development. Additionally, more needs to be done to engage schools and to develop activities that will inspire and educate local children and young people (with the Museum currently only reaching c.13% of children and young people in the local area).

Looking at the external environment, a key strength from a fundraising point of view is Guildford's position as a leading hub for technology, innovation and the UK gaming industry. This provides the opportunity to tap into expertise and engage those at the forefront of technological innovation – both in terms of plans/exhibition content for the Museum, but also in terms of fundraising.

Critically linked to this will be the need to position the Museum's future strategy as embedded within the Council's strategic plans. The existing alignment with the Guildford Town Centre Masterplan 2014-2033 and the Guildford Visitor Strategy 2014-2020 is, therefore, a strength for the organisation and this should be clearly communicated as a key rationale for the project. Donors will want to see a wider 'Return on Investment' for the project and to understand how the Museum will play a significant role in the redevelopment of the town. To support this, there is a clear need to improve impact and evaluation work with current reports focusing largely on reviews of specific projects or consultations to develop future plans, rather than careful measurement of the impact that the Museum is having at both an individual and community level.

The most significant barrier to fundraising for the Museum is the fact that there is no charitable vehicle currently available for fundraising. There is a need to tackle this key issue if the Council is to engage a diverse range of funders in support of the initiative.

## **The Capital Redevelopment Development Project**

*Cause4* strongly agrees with the Council's assessment that the Museum in its present state is not fit for purpose. There is clearly an urgent need to improve accessibility, facilities and museum layout to ensure that Guildford Museum is equipped to meet the demands and expectations of a modern museum. This has been further supported by the stakeholder consultation. However, whilst showing a rationale behind the decision to update the Museum will be critical from a fundraising perspective, in a highly competitive fundraising environment this is unlikely to be enough, on its own, to raise significant funds.

On this particular point, critical for fundraising moving forward will be to develop clear messaging that positions the Museum as a vital cultural hub which is rooted in the local community, joins-up the local heritage offer and drives the local tourist economy.

In terms of messaging, there is an opportunity to showcase the Museum's exciting ambitions to celebrate, champion and support Guildford's position as a leading national centre for innovation and technology, whereby the capital development facilitates nationally significant partnership working with local organisations working at the forefront of the UK's gaming and satellite industries.

Whilst the capital redevelopment provides a blank canvas for what might be possible, the Museum will need to balance ambition with what is possible and realistic now. We recognise the need for the Museum to 'walk before it can run.' However, vital to the fundraising campaign will be in communicating the bold and exciting aspirations (what we would consider BHAGs – Big Hairy Audacious Goals) that the Museum will work towards and demonstrating how the capital development may be a starting point for longer term economic development. This will be vital for showcasing to funders the wider relevance of the development to the Museum sector.

On the particular point of economic development, research has shown that the current return on investment for tourism in Guildford<sup>1</sup> is c. £307.5 million. What will be key is for the Council to understand the proposed increase in tourism and subsequent economic impact that the Museum might generate and to showcase this to potential funders – this metric will be critical in leveraging funding from key individuals/corporates that might want to support their local community.

Looking specifically at the existing plans, *Cause4* is highly supportive of current work being undertaken by the Council and its bank of consultants around the future plans for the Museum. *Cause4* views the plans to develop some of the Museum content focused on the gaming and satellite industries in Guildford and to develop exciting STEAM education programmes, hackathons and partnerships with local educational institutions as an excellent starting point and key to the fundraising potential of this project as well as the positioning of the Museum on a national stage. However, *Cause4* recognises that the Museum will need to strike a balance with its exhibition content between showcasing the history and heritage of Guildford (a critical part of the Museum), as well as the modernity of Guildford's current industries. Effectively doing both will not only be key to engaging the local community but, additionally, to attracting funders interested in innovation and sector development.

*Cause4* also recognises and supports plans to utilise best practice, both in terms of audience engagement and curatorial content. For example, the aspiration to co-create content and to engage young people in the curation of content will push the boundaries of audience engagement – positioning the Museum as a reactive organisation, capable of recognising and responding to the changing local and national contexts in which it operates.

All the above points have helped to inform the development of messaging for the fundraising strategy outlined later in this document.

### **Options to Develop a Charitable Vehicle**

In light of the fact that the current structure is unsuitable for fundraising, there is a need for the Museum to look at different options. *Cause4* explored three potential avenues for potential charitable models that the Council could use to fundraise for the Museum. The options considered included:

- A Community Interest Company (CIC)
- The Philanthropy Foundation or Charitable Partner
- A Registered Charity or Charitable Incorporated Organisation (CIO)

In examining the options available to the Council, *Cause4* has recognised the need to consider how the Museum might be managed in the longer-term, providing the ability for future revenue fundraising once the new Museum is up and running.

Conversations with those involved in the project have indicated that the longer-term aspiration is to consider setting up a Development Trust which could manage all of Guildford Borough Council's Heritage attractions. The setting up of a charitable vehicle to support fundraising for the Museum provides the perfect opportunity for the Council to build an organisation with a track record and financial records which could, in the longer-term, become the Development Trust.

Looking specifically at potential options, *Cause4* has examined in detail the three models outlined above – weighing up both the advantages and disadvantages of each, but also focussing on what options are most conducive to successful fundraising moving forward.

Whilst a CIC is the least resource intensive to setup, the lack of tax benefits – both for donors and additionally the Council – and the fact that some funders will not support CICs, are two significant

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<sup>1</sup> <http://www2.guildford.gov.uk/councilmeetings/documents/s13841/Item%205%202%20-%20Guildford%20Tourism%20Data%20.pdf>

disadvantages which the Council must consider in weighing up this option. The use of The Philanthropy Foundation or partner charity could help to mitigate some of the potential disadvantages but should not be considered a long-term option, with the need to look at a more formal structure as the organisation begins its operations.

*Cause4* gives more weight to the setting up of a registered charity – either a CIO or incorporated charity. Both options are attractive given the significant tax benefits of both models, coupled with the opportunity to attract charitable funds from across a wide range of sources. Whilst a CIO offers the easiest model for governance as this would require reporting only to the Charity Commission, conversations have indicated that in the future the new organisation may need to borrow funds. In this instance, a CIO is likely to be unsuitable given that *‘the Charity Commission does not have the ability to establish or maintain a register of charges over CIO property. Lenders, therefore, are reluctant to grant CIOs secured debt.’* In light of this, a registered charity is likely to be the better option in the long-term.

However, the Council will need to be aware of the significant lead-in time required for setup, combined with the fact that Trusts and Foundations are unlikely to support a start-up organisation with limited track record.

With the above in mind, a prospective pathway to support fundraising is as follows:

- The key priority action is the setting up of a registered charity, given that there may be some delay in registration with the Charity Commission. The Council will need to engage an organisation to undertake this setup (which is likely to be outsourced), combined with sourcing Trustees and developing the necessary governance processes.
- In light of the fact that a start-up charity is unlikely to be able to generate significant funds from Trusts and Foundations, especially without a full year of audited accounts, the Council will need to source a fundraising vehicle in the short-term. Two options could be considered:
  - The sourcing of a charitable partner which could be utilised to make approaches to Trusts and Foundations in the short-term.
  - The setting-up of a fund through the Philanthropy Foundation. This option would only be relevant if a charitable partner could not be found and if there are donors lined up and ready to donate now (although the strategy below suggests that approaches to corporates and individuals are likely to take place during a later point in the fundraising process).
- If a partner cannot be sourced, *Cause4* recommends that the Council shifts the fundraising timetable back until the new charity is both setup and has generated one-years’ worth of audited accounts. The Council may wish to gift funds to the new charity during this time to showcase a fundraising track record. Please note this would not affect any approaches to NHLF which are being made through the Council.

### **Fundraising Strategy**

Taking all of the above into consideration, *Cause4* has suggested the launch of a new fundraising campaign which focuses on the development of a new, innovative and modern cultural hub that will reflect Guildford’s history and heritage and which will play a vital role in increasing Guildford’s tourism and reputation as an innovative technology hub. Messaging for campaign could be as follows:

#### **Guildford Museum – The Home for Innovation, Heritage and Culture**

*Guildford Museum’s long history dates back to 1854, when it was first established in the historic grounds of Guildford castle to provide a new home for the unique collections gathered by Surrey Archaeological Society through a range of excavations and private donors. Steeped in history and based at the heart of Surrey’s county town, Guildford Museum offers a vital space for collecting, protecting and celebrating the fascinating stories of the region and the inspirational people that have lived there.*

*Engaging around 13,000 visitors a year, and many more through partnerships with organisations across Surrey, the Museum plays a central role in promoting learning and creativity across the region and beyond. However, despite 150 years of longevity, we recognise both the changing role of Museums in stimulating discussion and debate in society, coupled with recent changes in the region which have seen Guildford become one of the UK’s most exciting centres of technology and innovation.*

*In recognition of this, Guildford Borough Council – in line with a new Town Centre Masterplan and significant initiatives to boost tourism and investment across the region – has developed bold plans to transform the Museum into a new home for innovation, heritage and culture. Opening in 2024, and engaging partners from across the technology and innovation sectors, this development will produce a truly national institution, one that will push the boundaries of what was previously thought possible for a local museum. Through a combination of traditional exhibition content, combined with the use of innovative new VR/AR technology, the Museum will showcase the history and heritage of the Town, alongside a focus on the modernity of Guildford, creating a modern, world-class, local museum in the UK.*

*The development will comprise of a significant extension to the Museum – encompassing brand new exhibition spaces, a new shop and café and a multi-purpose activity space – as well as improved accessibility through refurbishment of existing spaces and exceptional conservation of the historic site. It will provide a base for an innovative and expanded programme of dynamic, creative and educational activities, reaching x people annually and providing significant new learning opportunities for the local community in heritage, STEAM, arts and culture.*

*At a total cost of £18million, the Museum will support the Borough of Guildford to generate £xmillion<sup>2</sup> annually in additional investment through tourism, transforming it into the local destination of choice, known for providing an inspiring and wide-ranging and arts cultural offering for residents and visitors alike.*

*Guildford Borough Council, in partnership with x, is seeking to build a coalition of supporters to invest in the development. We have committed £x million to the project, meaning that every donation will be doubled (to amend based on final figure confirmed by the Council).*

*By investing in this innovative and vital development, you will not only support Guildford to remain at the forefront of creativity, technology and innovation but you will help to create a truly world class arts, heritage and cultural hub for the region.*

Cause4 believes that the Museum could pursue a three-stage strategy for raising £2.5 – 3 million for the project. This will provide the momentum for leveraging additional funds as the campaign progresses, as well as the time required to setup the charitable vehicle for fundraising and to undertake conversations with funders.

Key stages include:

### **Phase 1: June – March 2020**

The initial stage will consist of the following:

- Discussions around potential charitable vehicles and setup of a registered charity to support fundraising in the longer-term.
- Submission of NLHF bid – successfully generating stage 1 funding. (Delivering buy-in through a successful stage 1 application will support the validity of the project and will show prospective supporters the potential of the project.<sup>3</sup>)
- Initial discussions with potential primary funders regarding the opportunity to support the project during Phase 2.

### **Phase 2: March 2020 – March 2021**

- Applications to Trusts and Foundations to engage primary funders.
- Full application to NLHF for Phase 2.
- Development of the public phase for final funding – setting up approaches to individuals and corporates.
- Discussions and approaches to Higher Education and Arts Council England regarding future approaches.

<sup>2</sup> It is recommended that the Council undertake an assessment of the likely return on investment for the future Museum and which can be communicated to potential donors/supporters.

<sup>3</sup> If fundraising were to begin before this, it is likely that funders might question the validity of the project going ahead. Furthermore, a successful bid will provide momentum for fundraising in future stages.

### **Phase 3: March 2020 – March 2022**

- Launch of a public-facing campaign and approaches to corporates and individuals.
- Potential Crowdfunding campaign for wider public support (if necessary).

The timetable (specifically the dates of fundraising activity) is based on the assumption that a suitable charitable partner can be sourced. As highlighted above, the below timetable would need to shift if a partner cannot be found.

Financial targets for fundraising are as follows:

<b>Income Source</b>	<b>Amount</b>
Guildford Borough Council	c.£11.1 million
NHLF	£3.9 million
Arts Council	£500,000
Higher Education	£200,000
Trusts and Foundations	£1.5 million
Individuals	£400,000
Corporates	£400,000 <sup>4</sup>
<b>Total</b>	<b>£18million</b>

In developing the fundraising target, *Cause4* undertook a significant benchmarking exercise which examined 37 Arts Council England Large Capital Appeals. Whilst we recognise that the voluntary target is below what the Council might have previously estimated, it is challenging to suggest that from a standing start the Museum can generate more significant funds in the relatively short-term.

#### **Fundraising Activity**

In terms of fundraising activity, *Cause4* has prioritised approaching Trust and Foundations – both through large grants (£100,000+), and approaches to a number of Trusts at a lower level. The strategy outlines a number of key prospects including large capital funders such as The Garfield Weston Foundation, The Foyle Foundation and The Wolfson Foundation.

Investigating (and generating) potential funds from Arts Council England and Higher Education were also seen as key fundraising opportunities during the initial fundraising stage.

In terms of the former, *Cause4* is not aware of any open Arts Council capital grants schemes. Additionally, the Museum Resilience Fund is currently closed. As such, it is suggested that the Museum undertakes initial conversations with Arts Council England to investigate further whether there are likely to be open funds to which it might apply. There may be an opportunity for an application to the Large Capital Grants scheme for c.£500,000. This is an estimate though and it is challenging to cost this out with any significant confidence at this stage until the scheme reopens.

Looking more specifically at funds which might be available from Higher Education, *Cause4* believes that there is an opportunity to approach Higher Education organisations for a formal financial partnership. These relationships normally generate in the region of £50,000 to £100,000 annually, but with 3-4 times more value realised in-kind. Initially, Higher Education organisations might be asked for a financial contribution upfront for the capital development of c. £100,000, combined with the development of a longer-term partnership.

*Cause4* envisages that the final stage of the fundraising campaign will involve approaching individuals, corporates and the launch of a public facing campaign. During this stage, the Council may wish to publicly communicate the release of more funds for the project to act as a match and to convince donors to support the project – essentially doubling any funds raised.

To approach individuals and corporates, *Cause4* has developed two significant giving programmes. An individual giving programme – Guildford Museum Angels – which will invite two or three major donors to support specific aspects of the development at a transformational level of between £50,000 and £100,000; and a significant corporate giving programme that focuses on offering corporates from within the local gaming and technology industries the opportunity to play a strategic role in the development of the Museum. Both the individual giving, and the corporate giving campaigns will also have opportunities at a

<sup>4</sup> Corporates may provide more of this through in-kind support.

lower level, including in-kind support opportunities for corporate partners. A Crowd Funding campaign might be used to raise the final funds.

To support fundraising, *Cause4* is supportive of plans to set up an Appeals Committee – a group of high-profile individuals helping to make connections and introductions which could then be taken forward.

The initial key action for the Committee should be a circles of influence exercise to refine any potential target lists (building on work undertaken both by *Cause4* and the 2016 strategy). A small-scale event might be hosted to bring together potential prospects to discuss plans for the Museum and how it might impact on Guildford. Follow-up through one-to-one approaches will need to be undertaken by key members of the fundraising team.

### **Resourcing**

*Cause4* has outlined key resources that will need to be developed in order to support the set-up of a new charitable vehicle and the implementation of the proposed fundraising campaign. This includes the physical resources that must be prepared (collateral) and the recruitment of key staffing roles. Looking more specifically at this, *Cause4* suggests that the following structure might be put into place:

- **Campaign Director (c.£50,000)** – Taking leadership of the fundraising campaign, making direct approaches and discussions with Individuals and Corporates (during Phase 3), leading strategic conversations with Trusts and Foundations and managing the Appeals Committee.
- **Fundraising Administration Support (c.£22,000)** – Supporting the Campaign Director through administration support, setting up meetings, supporting small scale approaches etc. This is likely to be covered by internal resources within the current Heritage team.

An outsourced function may sit alongside this to provide strategic support to the Campaign Director, support with the preparatory work in drafting collateral and applications as well as approaching corporates and individuals.

*Cause4* has also investigated the potential investment required to reach the target of £2.5 – 3 million, based on benchmarked figures regarding fundraising Return on Investment. It has been estimated that the Council may need to invest £300,000 (through a mix of internal and external resources) to reach this target.