Funding the Archive Sector

Research Report

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Contents

Glossary

AHRC – Arts & Humanities Research Council
ARA – Archives & Records Association
ARCW - Archives and Records Council Wales
ARMREN - Archives and Records Management Research
ASD – Archives Sector Development (department of The National Archives)
BL – British Library
CASE – Culture and Sports Evidence Programme
CIPFA – Chartered Institute of Public Finance and Accountancy
CyMAL – Welsh Government Division, CyMAL: Museums Archives and Libraries Wales
DCMS – Department for Culture, Media and Sport
FARMER - Forum for Archives and Records Management Education and Research
FTE – Full Time Equivalent
HE – Higher Education
HLF – Heritage Lottery Fund
HoAS – Heads of Archive services
ICARUS - International Centre for Archives and Records Management Research and User Studies
MAPLE – Major Archive Project Learning Exchange
MA – Museums Association
MLA – Museums, Libraries and Archives Council
NMDC – National Museum Directors' Conference
QR Code – Quick Response Code
RLUK – Research Libraries UK
RoI – Return on Investment
TNA – The National Archives
UCL – University College London

Definitions
Throughout the text all forms of repository, record office, and other organisations holding and providing public access to archives have been referred to as 'archive services'.

The terms 'fundraiser' and 'fundraising' are open to varied interpretation. For the purposes of this report the term 'fundraising' is derived from the Oxford English Dictionary definition of a 'fundraiser' as 'a person whose job or task is to seek financial support for a charity, cause or other enterprise' and the Macmillan English Dictionary definition of 'fundraising' as 'the activity of trying to persuade people or organizations to give money for a specific purpose'. Further discussion of the definition of fundraising in the context of archives is presented in the Literature Review (Section 8.1)

1   Executive Summary

The 'Funding the Archives Sector' research project was a collaboration between The National Archives and the International Centre for Archives and Records Management Research and User Studies (ICARUS) of University College London. The project advisory board also included representatives from the Welsh Government Division, CyMAL: Museums Archives and Libraries Wales and the Archives & Records Association. The project took place over the period September 2011 to September 2012 and this report outlines the results of that project in answering three key research questions:

- How are archives in the UK funded?
- What funding resources are under developed within the sector?
- What appropriate advice and training support can be delivered by The National Archives to improve access to additional funding resources?

The critical drivers for this report were the financial pressures on archive services foregrounded by the impact of the recession; the UK government's 'Big Society' agenda and related initiatives, and the general awareness of the need for further development in this area within the archives sector and how this might be achieved within The National Archives' strengthened leadership role.

1.1   How are archives in the UK funded?

Following discussion with the project advisory board and the Scottish Council on Archives, it was agreed to undertake a survey of collecting repositories in England and Wales only. The survey asked a number of detailed questions relating the archive services income.
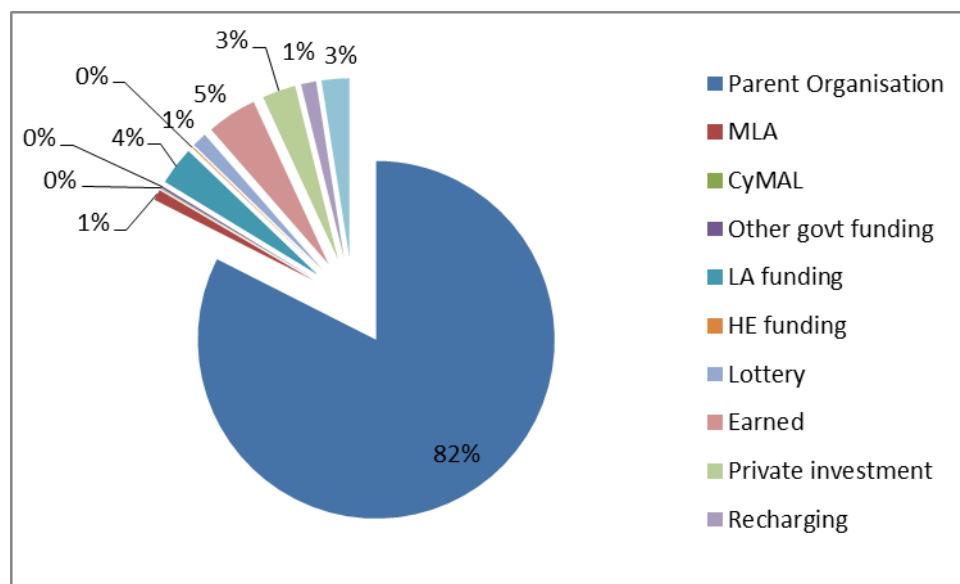
Fig A: Archives in England and Wales: How much income did your archive service receive from each of the following sources in the last financial year?

Fig A represents these survey findings and further analysis is provided in Section 4 of the report. Whilst recognising that these figures represent a snapshot of a single accounting year, the survey findings back up the assertion that archive services are reliant on parent organisations for either the whole or the majority of their funding. There were some variations between the funding sources accessed by different types of services and the scale of external funding. For example university archives received 31% of funding from external sources, compared to 17% in local authorities. Organisations with charitable status attracted 23% of their funding from external

sources. In contrast to the wider cultural sector, there did not appear to be greater success for archives services based in London when attracting external funding.

1.2   What funding resources are under developed within the sector?

Based on a literature review, the survey findings and a focus group, the research project sought to analyse the funding landscape in which archive services operate, what funding sources they use and how they access these sources. The report evidences that little investment is made at a service level to diversifying funding sources. Barely a third of archive services stated that their organisation had a fundraising strategy and only 3.2% of staff time is allocated to fundraising activity, demonstrating that a cultural shift is required to recognise this as a core management activity. Only 17% of respondents have a budget allocation towards fundraising activities, resources and training, although 56% reported that they could access some fundraising expertise and resource from their parent organisation. There is clear evidence that archivists are lacking in confidence and experience in a range of fundraising techniques and that this is hampering the sector as a whole in accessing additional external funding. Fig B below illustrates responses to survey questions asking to rate confidence and experience levels for a range of fundraising tactics.
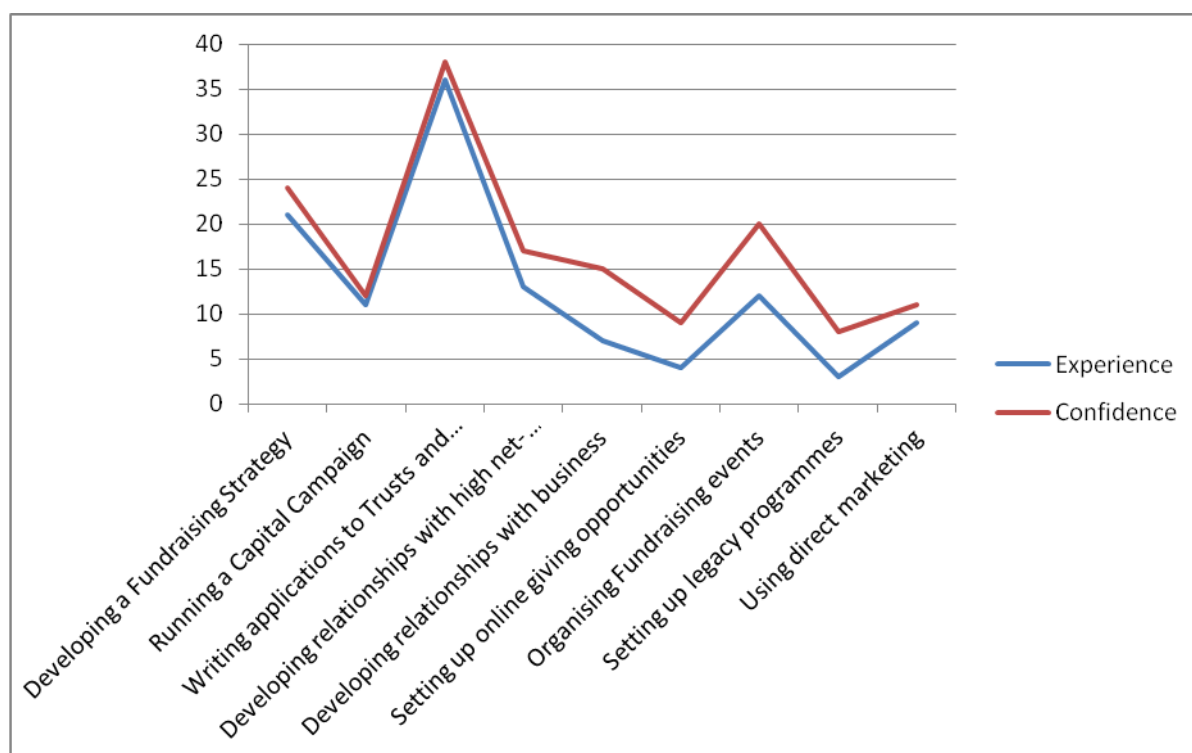
Fig B: Comparison of confidence and experience levels

The research identified a range of strengths, weaknesses, opportunities and threats to archive services seeking to fundraise or generate additional income. The areas covered in more detail in Section 5 of the report are listed below:

Strengths	Weaknesses
Parent organisation support	Governance models
Tradition of sharing knowledge and collaboration	Financial planning
	Incentives and disincentives
Accessing the Heritage Lottery Fund	Resource allocation
Writing bids to trusts and foundations	Risk taking and innovation
	Advocates and relationship management

Opportunities	*Threats*
National levers - Archives for 21st Century and Accreditation	Lack of engagement with issues around fundraising for archives
Developing an evidence base	Lack of monetary value placed on service
The National Archives as information conduit	Lack of major donors
Higher education sector	Lack of business relationships
Capitalising on engaged user base and volunteers	
Crowdfunding opportunities	

Having considered both the challenges and barriers facing archive services, and the potential and possibilities for the sector, Section 6 of the report presents a future-focused approach.

In addressing these issues at organisational level, the report sets out seven success indicators for archive services and for Heads of Archive Services (HoAS) to consider:

1. Parent organisations understand the need to continue to invest in their archive service and external funding is not used to withdraw or reduce core funding but rather to grow capacity
2. HoAS and other budget holders are confident in financial planning and have a clear understanding of the cost of all aspects of delivering their service
3. HoAS are looking at all times to embed financial efficiency into service delivery, maximising the benefit of both core and external funding
4. HoAS have sufficient resources to develop a strategic approach to fundraising and income generation and work with their parent organisation on approved approaches that enable the archive service to harness the full benefit of successful fundraising and income generation
5. HoAS are able to work successfully with their parent organisation's development teams or draw on other internally available expertise, where applicable
6. Services are able to access a range of funding sources but are doing so through a clear-sighted analysis of strategic fit and return on investment, rather than simply chasing a funding pot.
7. Income generating activities are pursued with an understanding of value with regards to both profit generation and other purposes

Fig C overleaf revisits the national funding picture and puts down a marker as to what this should look like for the archives sector, five years on from the original survey. This is a challenging aspiration, predicated on future development support.
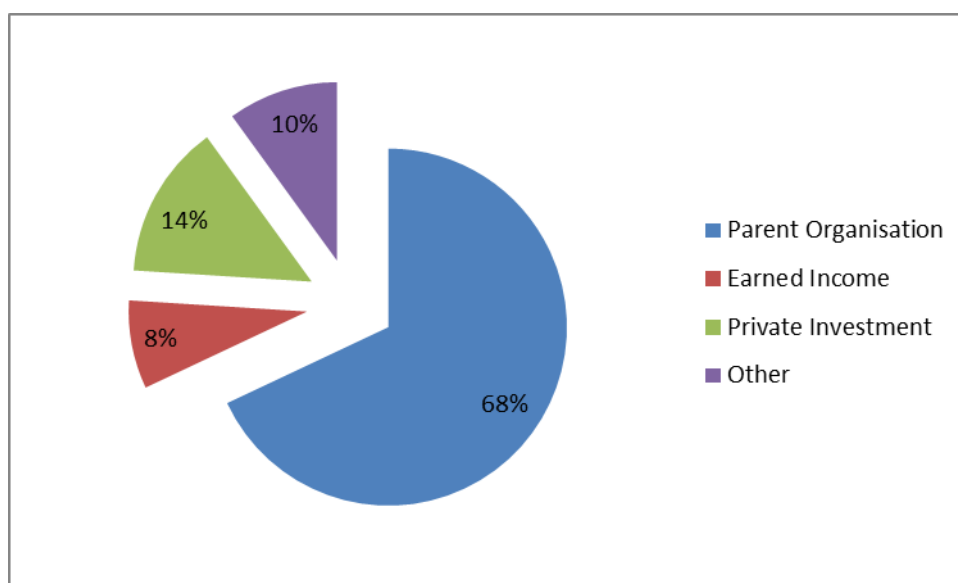
Fig.C: Aspirational national income breakdown for the archive sector 2015/16

1.3   What appropriate advice and training support can be delivered by The National Archives to improve access to additional funding resources?

Having set out for the first time an analysis of the current funding picture for archive services and presented a proposed future model to work towards at both national and organisation level, the following recommended approach is provided for The National Archives.

1	Leadership
1.1	Develop stronger relationships at national and regional level with funders and stakeholders
1.2	Influence policy at national and local level to ensure sustainable funding for services
1.3	Support piloting of new approaches to funding and fundraising
2	Collaboration
2.1	Identify opportunities to bring together funders to enable greater strategic impact
2.2	Identify opportunities to bring together archive services to capitalise on funding initiatives
3	Good Practice
3.1	Provide mechanisms and opportunities for archive services to learn from each other
3.2	Ensure archive services have access to up-to-date and appropriate information on funding and fundraising
4	Advice
4.1	Ensure archive services have access to individual support where needed
4.2	Ensure funding support is part of all strategic discussions with archive services
4.3	Ensure archive services have access to appropriate training

It is the hope of the research team that these ten high-level objectives will be accepted and become the basis of a more detailed action plan for The National Archives and its strategic partners in providing developmental support up to 2015 and beyond.

2   Background to the research project

This research project forms part of the action plan for *Archives for the 21st Century* in meeting the strategic objective to 'Develop bigger and better services in partnership – working towards increased sustainability within the sector'[1]. The aim of the research project has been to provide an evidence base to inform policy making and the future work of The National Archives, in particular through its Archive Sector Development department (ASD), in the development of advice and support, around governance issues and the delivery of funding advice, including income generation.

2.1   Need for an evidence base

From the establishment in 2000 of the Museums, Libraries and Archives Council (MLA), as Re:source there has been considerable progress made on cross-domain studies to highlight the instrumental value of the museums, libraries and archives sector, through identification of the economic and social impacts of cultural provision, as well as work undertaken in conjunction with the wider cultural sector, for example, via the Culture and Sports Evidence Programme (CASE)[2]. However, there has been surprisingly little evidence gathered about what investment is needed to deliver effective archive services; how archive services themselves are funded and what is their potential for exploiting additional fundraising opportunities. Through the Archive Lottery Advisory Service (1998-2010), and with the support of the Heritage Lottery Fund, a body of evidence has been gathered on archive services' ability to access lottery funding and how to provide effective support for potential applicants, but this has not been presented in a wider fundraising context[3]. The 'tripod' funding model is one that has been recognised as good practice within the wider arts sector[4]. This model recommends that funding is split equally between public funding, private giving, and income generation. Anecdotal evidence suggested that UK archives were a long way off this model, heavily reliant on revenue funding from their parent organisation, supplemented in some services by small income streams from publishing and reprographic charges, and by occasional funding bids to trusts and foundations or strategic agencies. This research project sought to clarify whether this anecdotal evidence was borne out in practice. Having clarified the current funding picture for archive services; and created a benchmark against which future developmental support can be measured; the researchers would attempt to identify an appropriate aspirational funding model for the sector.

2.2   Supporting archive services

Any developmental work in this area needs to be predicated on long term strategies. However, the research project itself was considered time-critical due to the current economic context. Over the past few years publicly funded archive services have experienced budgetary pressures and service reviews, often involving the appraisal of alternative business models. At the same time the coalition government, under its 'Big Society' agenda, has sought to develop and encourage philanthropy within the UK[5]. In addition, with the transfer of responsibilities from the defunct MLA, to The National Archives, the opportunity arose to raise the visibility of funding support within The National Archives' approach to working with the sector[6]. It was recognised that without further developmental support there is a risk that archive services could not only lose critical funding from parent bodies, but also miss out on potential opportunities to grow their income and increase private giving, through lack of capacity, knowledge, skills and opportunities.

2.3   Approach

It is within this environment that a research project was identified as critical. The research was undertaken in 2011 and 2012 by The National Archives and the International Centre for

Archives and Records Management Research and User Studies (ICARUS) of University College London. This report outlines the results of that project in answering three key questions:

  • How are archives in the UK funded?

  • What funding resources are under developed within the sector?

  • What appropriate advice and training support can be delivered by The National Archives to improve access to additional funding resources?

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[1] HM GOVERNMENT 2009

[2] Examples include ALMA UK [n.d.]; JURA 2005; TYM, 2008; MLA SOUTH EAST 2008; NEF CONSULTING, 2009; OXBORROW-COWAN, 2012; DEPARTMENT FOR CULTURE, MEDIA AND SPORT, 2010,

[3] KINGSLEY, 1996; NCA, 2006; RAY, 2007

[4] The model is referred to and used as a starting point in much of the literature on arts and cultural funding produced by bodies such as Arts & Business, Arts Council England, DEMOS, and Mission Models Money. For an example see SMITH, 2010

[5] HM GOVERNMENT, 2011

[6] THE NATIONAL ARCHIVES, 2011

3   Research method

The research method, employed to answer the three key research questions outlined in 2.3, is explained in this section of the report. It was agreed in conjunction with a project advisory group including representatives from The National Archives (TNA), University College London (UCL), the Welsh Government Division, CyMAL: Museums Archives and Libraries Wales (CyMAL), and the Archives & Records Association (ARA).

3.1   Literature review

Marie Laperdrix, UCL Research Fellow and Conservateur du patrimoine stagiaire (Institut National du Patrimoine) undertook an initial literature review in March 2011 as the first part of the research project. The literature review not only sought to identify published sources relating to fundraising for UK archives, but also to set this theme within a wider cultural context and to consider international comparisons. The review focused on six key areas; the definition of fundraising for archives, philanthropy, private funding vs. public funding, fundraising in archives vs. libraries; fundraising for archives; and finally new perspectives on funding and technologies. This literature review is attached as Appendix 8.1.

3.2   Survey of archive services

A survey questionnaire was used to capture a range of, primarily quantitative, information from which to answer the research questions and to identify what, if any, resources were currently available to services within their own organisations to support fundraising. The survey questions were designed not only to establish a benchmark but also to enable future surveying; to establish, via a longitudinal study, changes in the funding landscape for services. The survey was divided into six sections. The first section asked general information about the nature of the archive service; the second asked for general financial information from the service's last full accounting year; the third asked about earned income; the fourth about private investment; the fifth about the allocation of investment, and the final section focused on fundraising skills and resources. The survey questions relating to income were based on the Arts & Business Private Investment in Culture survey[1], so that comparison with the wider cultural sector might be possible. The full survey form used is in Appendix 8.2. It was agreed at an early stage to limit the survey to England and Wales, as the funding landscape in these countries is more comparable than in Scotland and Northern Ireland. The survey content was agreed by the project advisory group and, in addition, the questions were piloted by Gloucestershire Archives.

In September 2011, 254 emails were sent to organisations previously identified by The National Archives as the major collecting institutions in England and Wales (organisations contacted as part of The National Archives' Annual Accession to Record Repositories[2]). The email, with a covering letter from the Head of the Archives Sector Development department at The National Archives, asked these organisations to take part in an online survey. The running of the survey was also accompanied by publicity through targeted communication routes, and follow-up phone contacts. The online survey tool was hosted by UCL, using the Opinio survey software tool. By the survey closure date 132 responses had been logged onto Opinio. Of these 28 were blank. On investigation a further 46 responses had too few completed answers to make them usable as part of the full data set. This left 58 questionnaires that were analysed. This represents a return rate of 23%.

3.2.1   Regional spread of responses

The survey aimed to capture evidence from archive services across England and Wales, to establish a representative data set and to identify if there were different patterns in responses that could be attributed to regional variations. Fig. 1 illustrates the regional spread of organisations

identified in the original survey group; and compares this to the number of valid returns and non-returns or unusable returns.
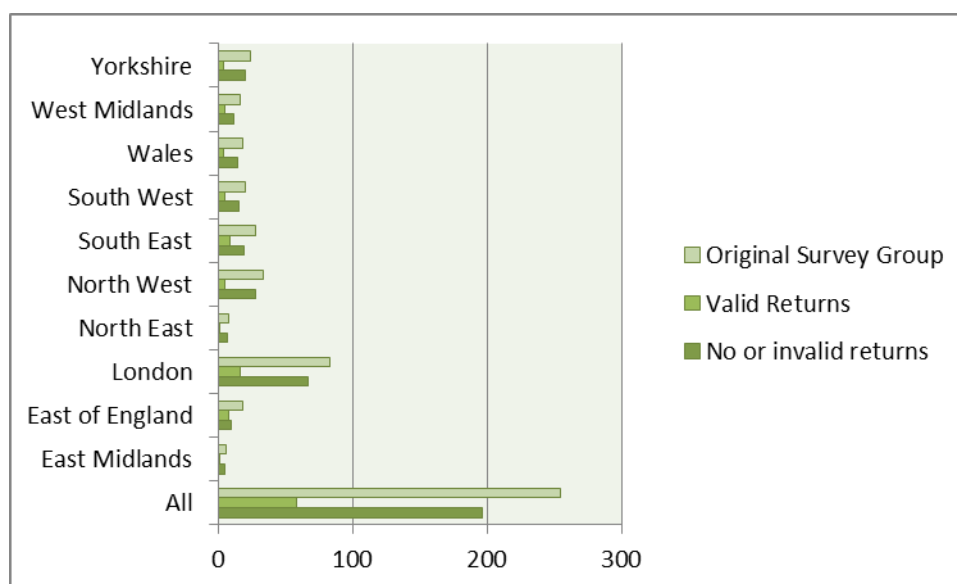

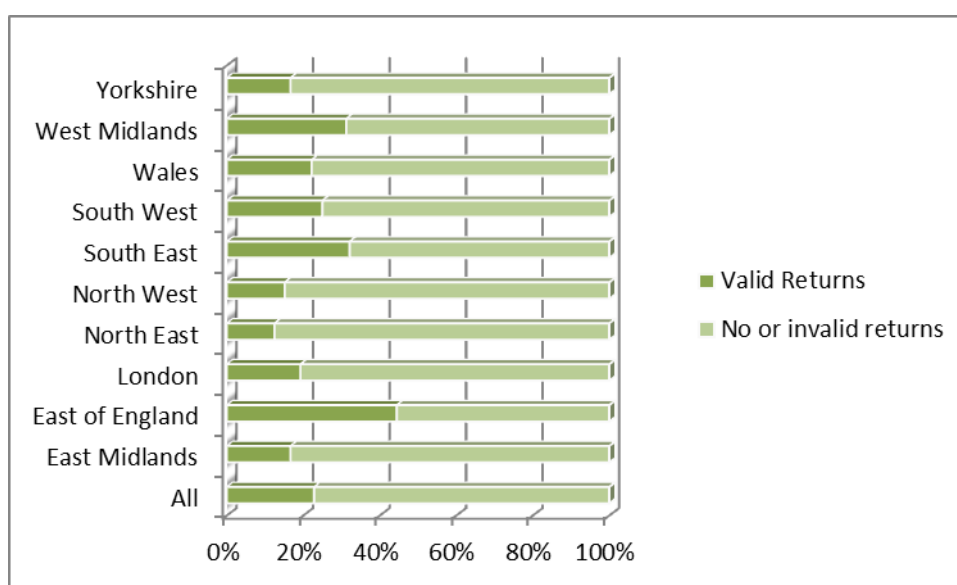Fig 1: Regional Spread of survey group

Fig 2: Ratio of valid to invalid returns by region

Fig. 2 compares the ratio of valid to invalid responses received from all the nine English regions and Wales. This demonstrates that although the low number of returns from some individual regions (in two cases a single return) does not provide a robust statistical basis to make any strong inferences about these specific English regions, in general the relative return rates from different regions are fairly consistent with the total.

The return rates did, however, raise concerns about any conclusions drawn from an analysis of the Welsh returns as a discreet data set. There were a total of four returns from Wales. One return, although valid in terms of the data provided, was received from a national institution receiving its funding directly from the Welsh Government via CyMAL. The funding position this outlines is significantly distinct from the experience of other services in Wales and therefore the decision was made to exclude it from the survey. This decision left only three returns

received from local authority services in Wales for analysis and may not, therefore, provide a representative picture across Welsh archive services. It is for this reason that, with the exception of Section 4.1.4, no attempt has been made within the report to represent Welsh survey data separately.

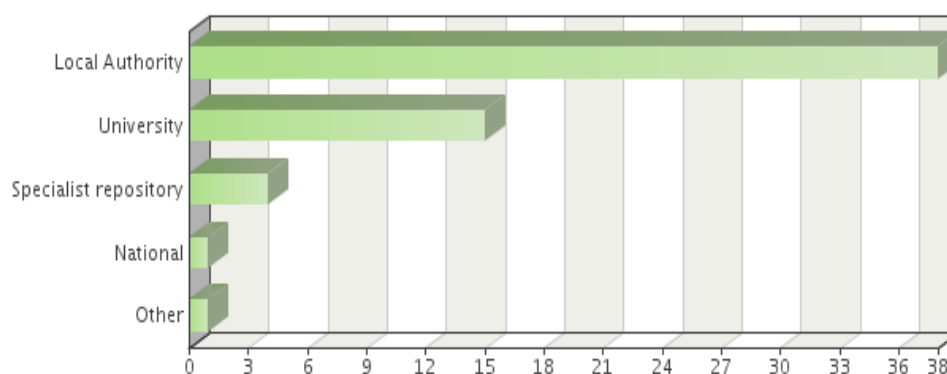### 3.2.2   Spread of returns by type of service

Fig 3: Responses by type of service

Fig. 3 illustrates the sectoral spread of respondents. It demonstrates that the survey responses were received from across the expected sector. However, the small number of respondents identifying themselves as 'National' or 'Other' do not provide a sufficient basis to make any inferences specifically about fundraising and income generation in these institutions. A more detailed analysis of the full survey findings follows in Section 4.

3.3   Focus groups

A focus group session was organised at UCL in February 2012, using an initial analysis of the survey results to prompt discussion. All members of the project advisory group were invited to the focus group session along with a small number of heads of archive services (HoAS). These individuals were selected from volunteers identified through the survey questionnaire. The aim was to bring together perspectives from different types and scale of services, and from different geographical locations. The session was recorded and anonymised contributions are used in Section 4. Focus group questions are in Appendix 8.3. The same questions were subsequently used in a follow-up focus group with members of the Archives Sector Development department in June 2012.

3.4   Case studies

The initial literature review confirmed that there is little published information about good practice in fundraising for archives within the UK. Therefore the survey questionnaire was used, alongside wider intelligence gathering, to identify possible case studies. The intention was to develop a body of case studies that illustrate different approaches to fundraising and income generation. Originally these case studies were to form part of this research report. However, during the period the research project was underway, The National Archives re-designed its web pages for the archive sector, developing a new section on case studies and allowing the possibility of linking online information on fundraising to relevant sectoral case studies[3]. Therefore this element of the project will now take place independently of the research report, with the aim of adding new case studies to The National Archives website during Autumn/Winter 2012.

3.5   Additional research

The 17 organisations that took part in the MLA Strategic Planning and Fundraising programme[4] in 2009 were contacted to get feedback on the long-term impact of their participation in this programme and to canvas views on this approach to providing support.

Alongside the formal structured research for the project, the research analysis in Section 5 is also informed by the authors' experience in teaching management skills to students on the Archives and Records Management Programme at UCL, and in supporting a wide range of archive services to access funding support through one-to-one advice, presentations to archive networking groups and discussion with funding bodies over an eight year period. This previous experience has enabled the authors to develop an understanding of the challenges perceived by individuals within the sector to implementing cultural change, and to test approaches to supporting those who seek to do so.

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[1] More information about the Arts & Business Private Investment in Culture survey and the published annual reports are available from Arts & Business http://artsandbusiness.org.uk/Central/Research/Investment-and-funding.aspx
[2] See The National Archives website for more information about this exercise http://www.nationalarchives.gov.uk/accessions/
[3] http://www.nationalarchives.gov.uk/archives-sector/case-studies.htm
[4] See MLA 2010 for evaluation report

4 Survey findings

This section of the report focuses primarily on the findings of the funding survey. It includes data from other sources where comparison is pertinent. These findings are contextualised and explored further in the research analysis section of the report (Section 5).

There are significant challenges in creating an accurate data set. These challenges include issues around identifying an appropriate survey group; comparing between organisations operating under a range of different governance models and providing a varied range of services; comparing financial data captured in different accounting systems within different organisations; acknowledging that archive services can benefit from resources that are not represented in their own budgets (for example, through partnership working, or involvement in national or regional collaborations[1]); and recognising that analysis of archive service budgets may not reflect the scope and extent of fundraising activity and income generation of the parent organisation as a whole. Bearing in mind these caveats, however, the findings outlined in this section are at least a first step towards the creation of a national data set for the funding of UK archive services.

Unless specifically stated otherwise, the figures in the section are collated from survey returns from both England and Wales.

4.1 Turnover and income sources

The second section of the survey questionnaire sought information that would enable the presentation of a snapshot of current income sources across the sector.

4.1.1 Accounting year

In order to try to get both accurate and up-to-date figures, respondents were asked to complete the survey based on their last accounting year. It was recognised from the outset that, although for the majority of services this would represent the year April 2010 to Mar 2011, there would be accounting differences across the sectors, as illustrated in Fig. 4. All respondents stating their accounting year ended on 31 Jul 10 were from the university sector. The respondents stating 'Other' for the question were also university respondents, who were able to supply returns covered the following accounting year, ending 31 Jul 11. As the responses were predominantly for 2010/11 period, figures from other data sets that correspond to this period have been used for comparison.
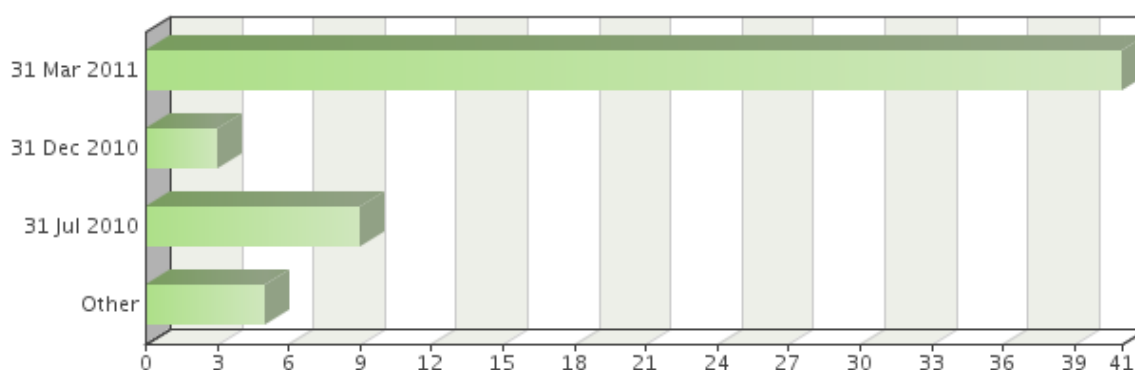

Fig 4: What was the year end date for your organisation's last full accounting year?

4.1.2 Service responsibilities

One of the greatest challenges in extrapolating information about archive services is that not all services undertake the same responsibilities. There is a multiplicity of approaches to joint service delivery and budget allocation and oversight reflects this as illustrated in Fig. 5.
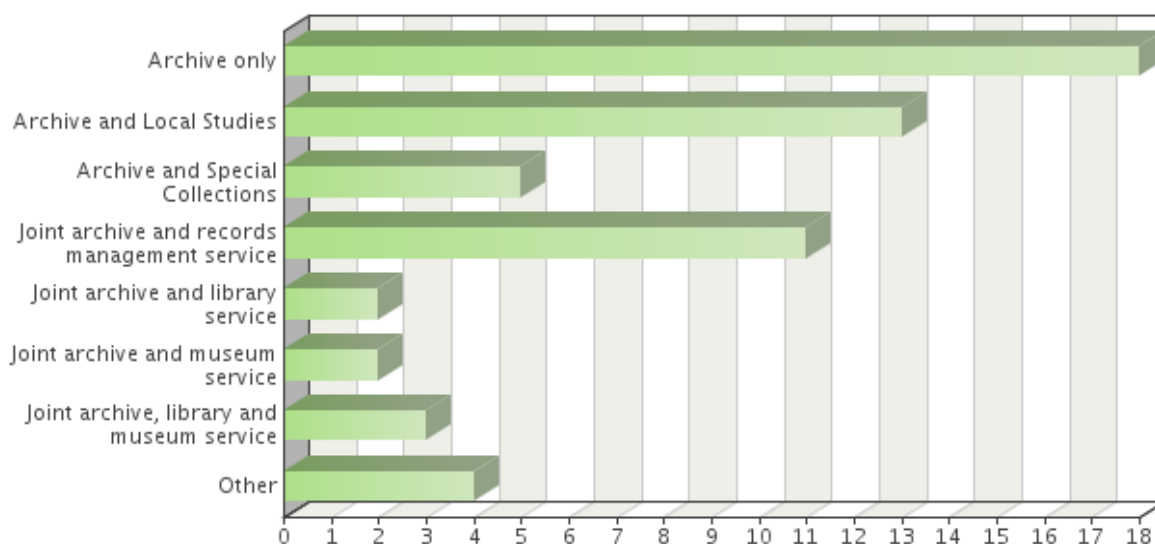

Fig 5: What service does your turnover figure represent?

4.1.3 Turnover

Survey respondents were asked to state their turnover for the year. The definition of turnover used for the purposes of the survey was 'Total income, including all monies fundraised, earned by and awarded to your archive service (included budget allocation from parent organisation)'. Fig. 6 illustrates the range of turnover figures showing the mode is between £100-199K. The median turnover was £299,086. The mean average turnover was £468,471.

Fig 6. Range of turnover figures
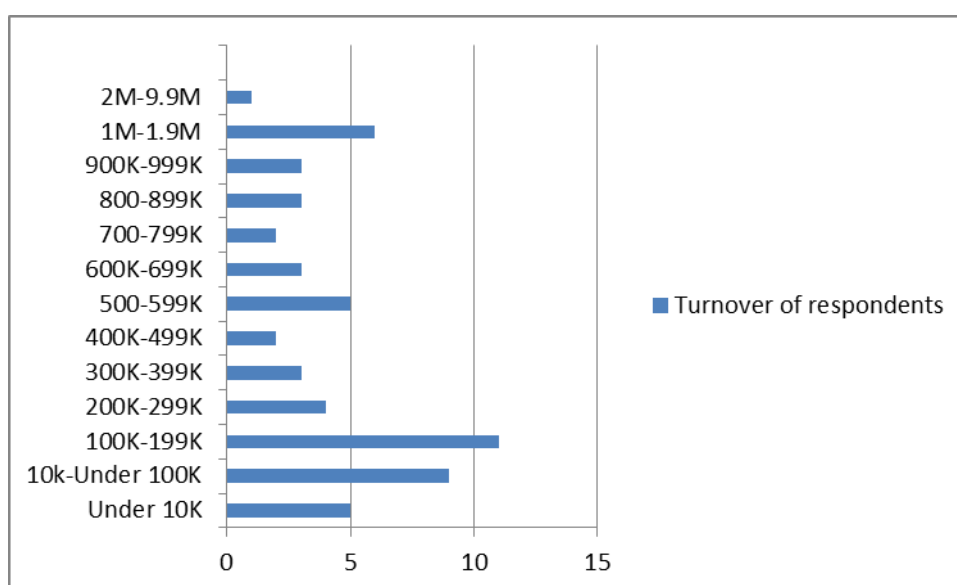
As stated in Section 3.2, this survey was designed on the basis that it could become the first of a series of successive surveys, mapping changes in income levels and sources over a longer period of time. However, as this was first survey, it was felt important to get a sense of how the figures presented in the survey related to the previous year so Fig. 7 outlines changes to turnover from

the previous year. This compares with an 8% reduction in revenue expenditure on local authority services in England and Wales between 2009/10 and 2010/11[2].
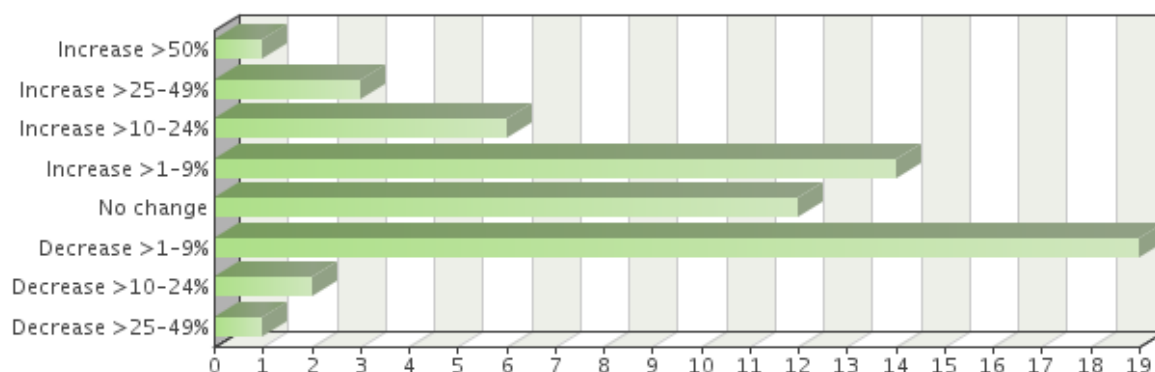

Fig 7: Does this represent and increase or decrease on the previous financial year?

4.1.4 Overall breakdown of income sources

Respondents were asked to identify either the actual figures or the percentage of their turnover that they received from a number of identified funding sources. Definitions of each funding source were included in the questionnaire (see Section 8.2 Q10 for full definitions). An important figure that the survey has identified is that a significant number of services, 12% of respondents, reported 100% of their funding was from their parent organisation. Fig. 8 represents a collation of the responses from organisations based in England and Wales, suggesting that 18% of archive service budgets come from external sources.

Fig 8: Archives in England and Wales: How much income did your archive service receive from each of the following sources in the last financial year?

Figs. 9 and 10 overleaf separate out the statistics to represent England-only and Wales-only breakdowns. These appear to represent significant variations in the income sources for English archive services and those based in Wales. However, whilst Fig 9 is based on 54 English survey returns, Fig. 10 is drawn from only three returns and as previously discussed in Section 3.2.1 may not provide a representative picture across Welsh archive services.

Fig 9: Archives in England: How much income did your archive service receive from each of the following sources in the last financial year?

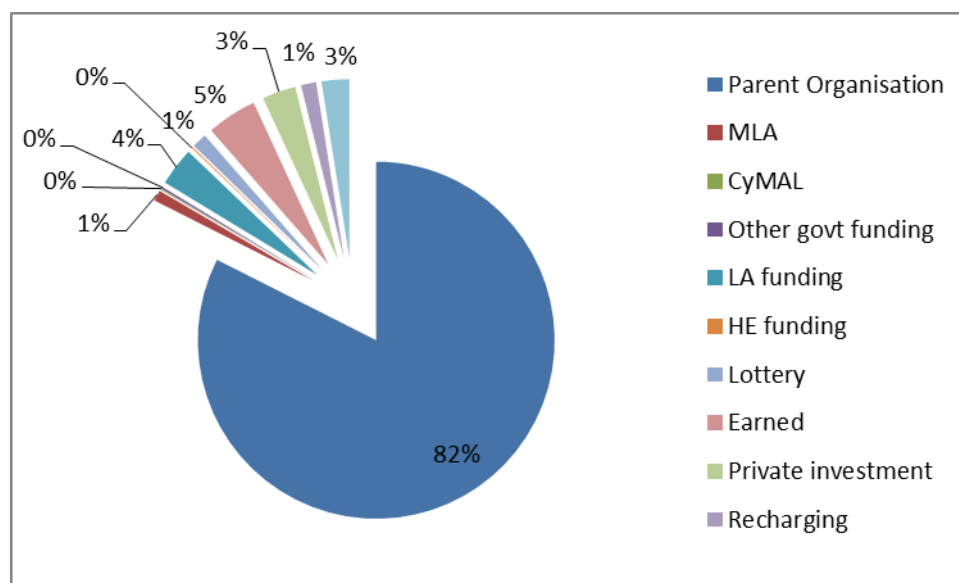

Fig 10: Archives in Wales: How much income did your archive service receive from each of the following sources in the last financial year?

Fig. 5 above illustrated that responses to the questionnaire came from a range of services, the largest single number being from 'archive only' operations, but a larger proportion from joint services. Fig. 11 shows the income breakdown for services that identified themselves as 'archive only'.

Fig 11: Archive-only services: How much income did your archive service receive from each of the following sources in the last financial year?

4.1.5 Income comparison - London vs. English regions

The relative success of London based organisations in attracting private investment in comparison with other regions is one that is continually referenced within the wider cultural sector. The 2010/11 Arts & Business Private Investment in Culture survey continues to confirm this with London receiving 71.1% of all private investment and 81% of all individual giving[3]. However this picture does not appear to be replicated in the archive sector. Figs. 12 and 13 below illustrate that London archives are slightly more reliant on parent organisations for funding than the rest of England, with only 13% of income from external sources.
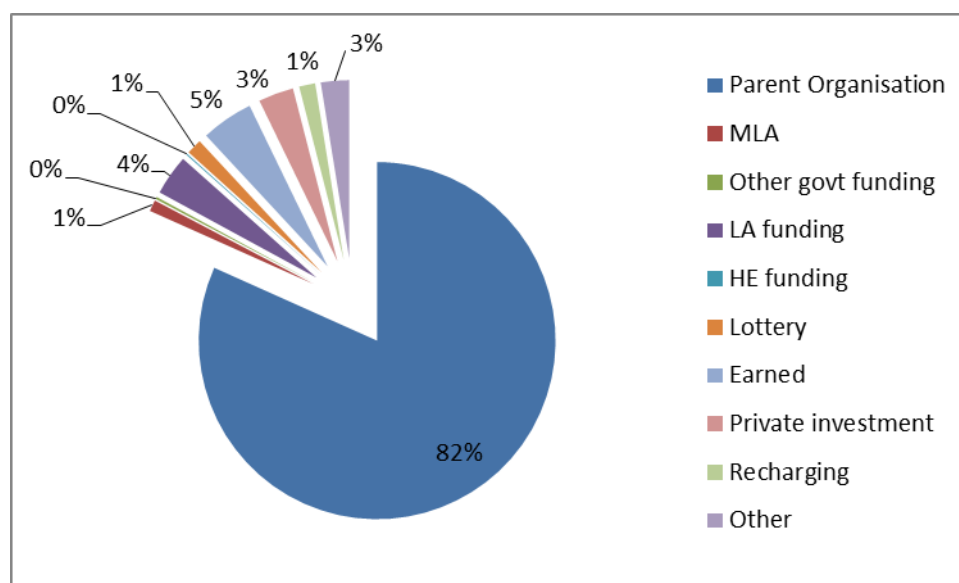

Fig 12: Archives in London: How much income did your archive service receive from each of the following sources in the last financial year?

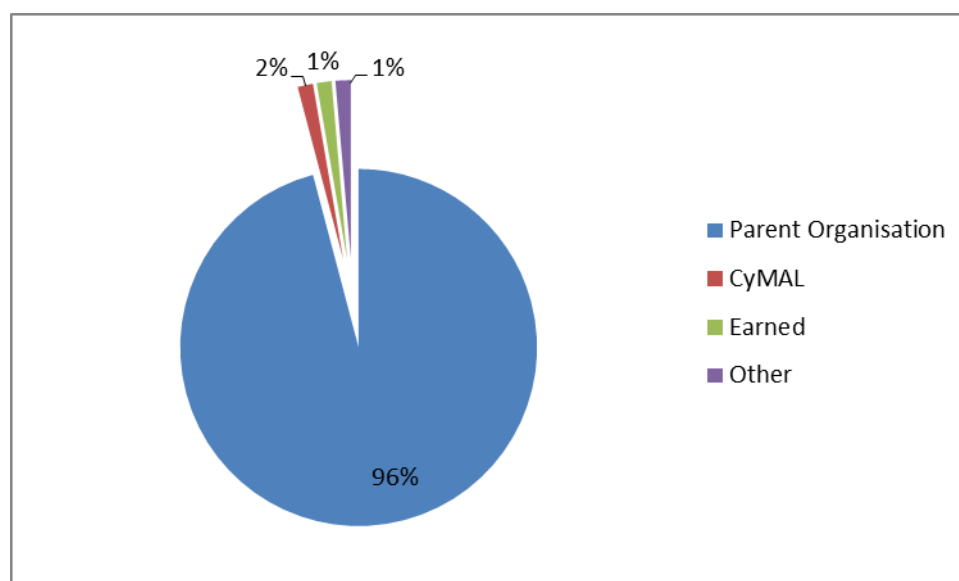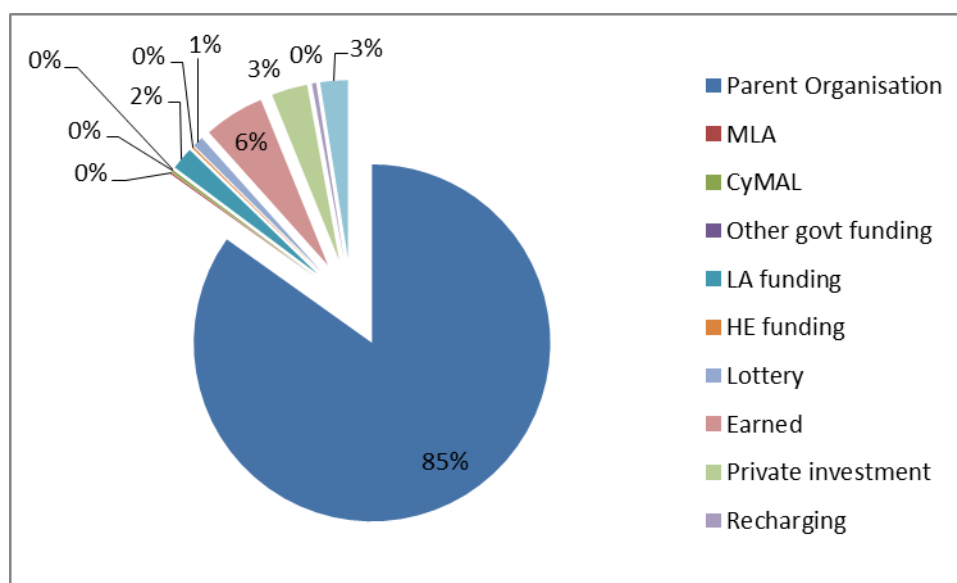Fig 13: Archives in English regions excluding London: How much income did your archive service receive from each of the following sources in the last financial year?

4.1.6   Income comparison – type of sector

Whilst the income breakdown for local authority-run services (Fig. 14) is relatively similar to the national picture (Fig. 8), Fig. 15 overleaf suggests that services within the higher education sector are accessing a larger proportion of their funding from external sources (31%).

Fig 14: Local authority Services: How much income did your archive service receive from each of the following sources in the last financial year?

Fig 15: University Archives: How much income did your archive service receive from each of the following sources in the last financial year?

4.1.7   Income comparison – impact of charitable status
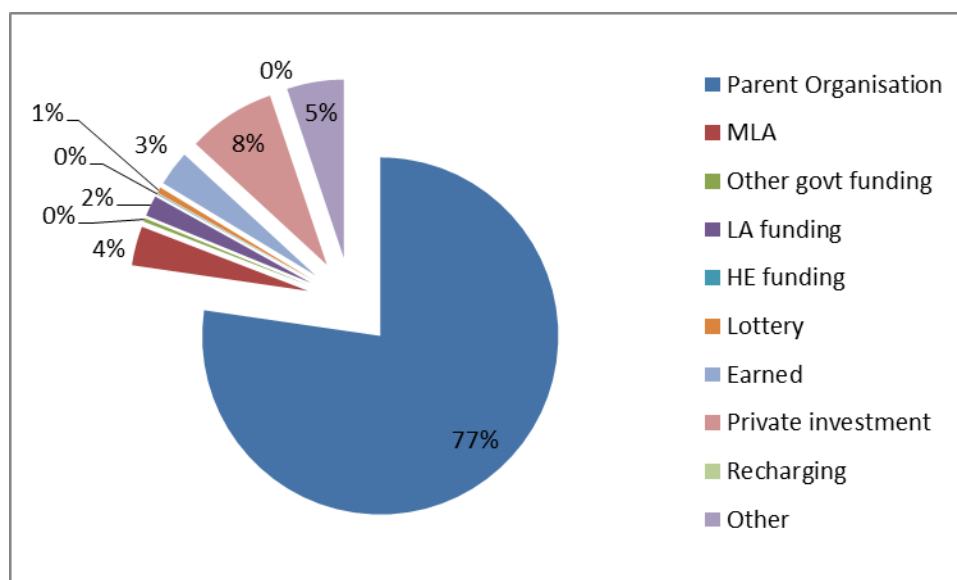
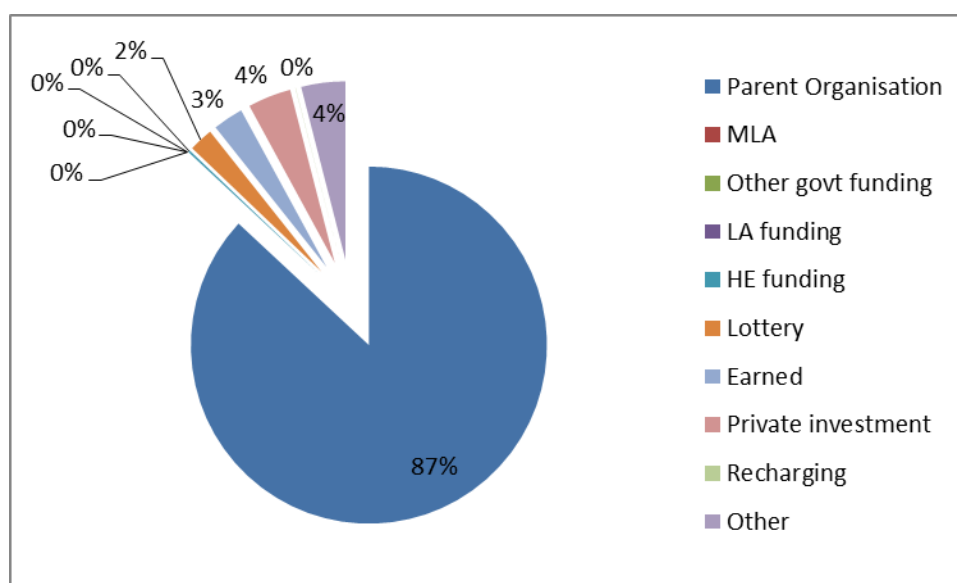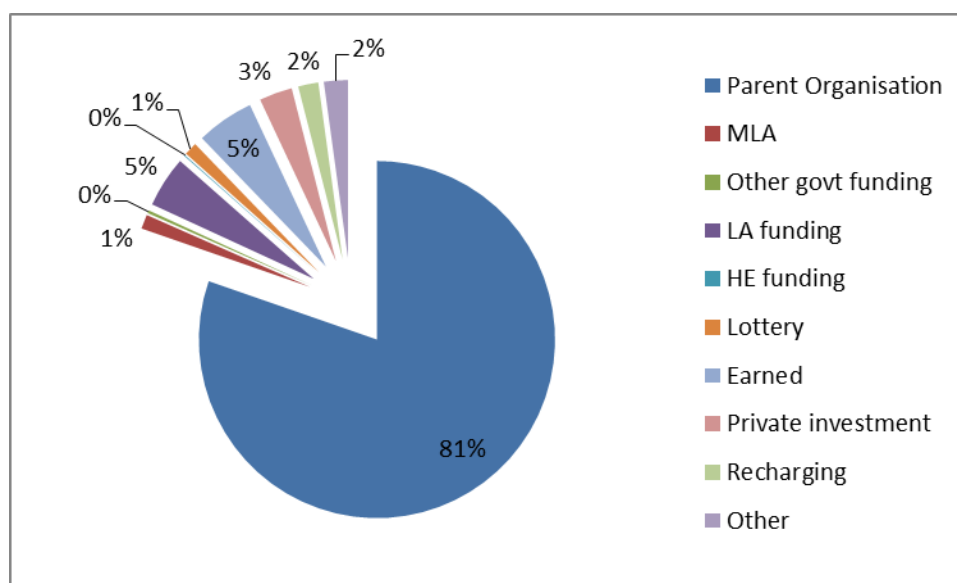Fig 16: Organisations with charitable status: How much income did your archive service receive from each of the following sources in the last financial year?

Fig 16 suggests that archives operating within organisations with charitable status receive more income from external sources than the national average; 23% compared to 18%. In addition, 47% of respondents also answered 'yes' to the question 'Is there a charitable vehicle which fundraises for your archive service (for example, a Development Trust or Friends' Group)?', which could mean that income being used to improve preservation of, and access to, collections is being generated through these mechanisms, but is not represented within the service turnover figures.

4.2   Earned income

The third section of the survey asked more detailed questions about earned income. At a national level (Fig. 8) earned income represents no more than 5% of overall income[4]. This earned income is broken down into more detail in Fig. 17. Just over half of respondents (53%) stated that they had control over setting targets for earned income and decisions on how to spend this money.
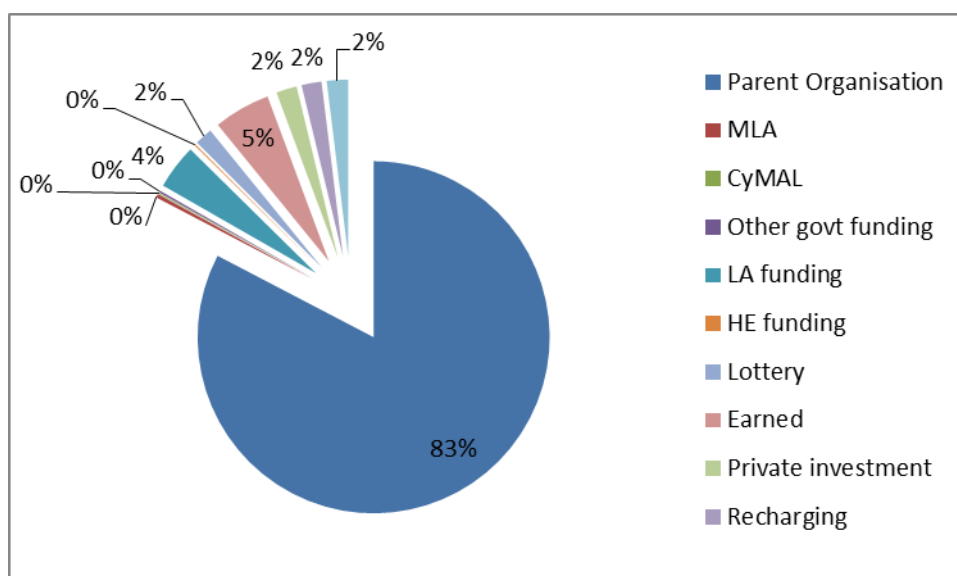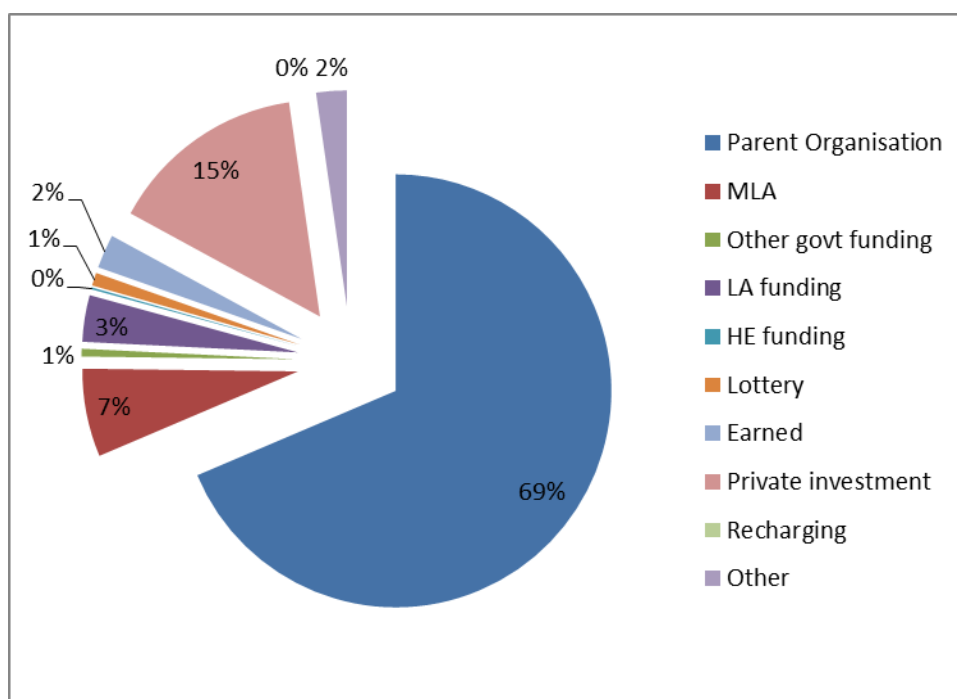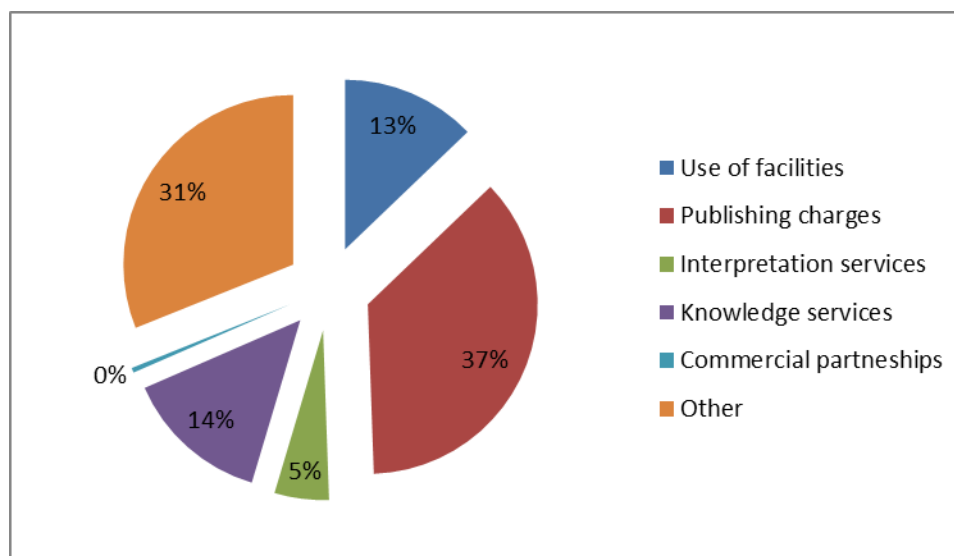

Fig 17: How much Earned income did your archive service receive from each of the following sources in the last financial year?

Comments related to the 'Other' category refer most frequently to sales from shops, vending machines and catering facilities and charging for records managements services. As 'recharging for services to your own organisation' was accounted for elsewhere in the survey, this is presumably income from providing records management storage for third parties. Some comments also refer to 'donations' suggesting that there has been some confusion by respondents over this category (donations should be accounted for under private investment).

4.3   Private investment

The fourth section of the survey asked more detailed questions about private investment. The questions on this area of investment were modelled on the Arts & Business Private Investment in Culture Annual Survey. Despite providing definitions alongside the questions within the questionnaire, the responses demonstrate some confusion over what constitutes private investment. There were also a significant discrepancy between the figures provided in Q10 of the survey and the breakdown figures provided in Q15 (business investment), Q18 (trusts/foundations) and Q19 (individuals). This has meant that there is around £186k difference between the total figure for private investment collated from answers to Q10 and the totals from the subsequent questions. .

The Arts & Business 2010/11 figures show that investment in library/archives stands at £8,654,762, which accounts for 1.3% of regional investment in culture[5]. Figure 18 shows how private investment in the archive sector is made up, according to the responses to Q15, 18 and 19 in the survey.
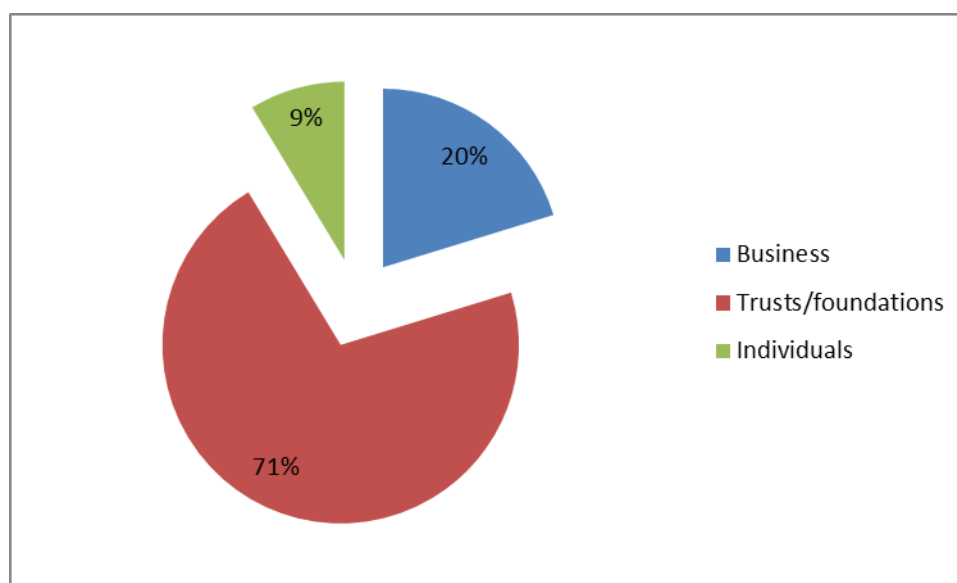
Fig 18: Percentage of private investment from business, trusts and foundations and individuals in the last financial year?

Slightly fewer respondents (45%) reported having control over spending monies from private investment than did from earned income.

4.3.1   Business investment

The Arts & Business Private Investment in Culture survey covering the same period (2010/11), found that business investment accounted for 19.5% of total private investment which would appear comparable to the archive figure of 20% of total private investment, but these percentages mask significant differences. In total only ten business relationships were identified by the respondents, and one of these relationships accounts for 90% of the total business investment. Just over £204,000 was invested by business in archives compared to the £134.1m reported in the Arts & Business survey.[6]
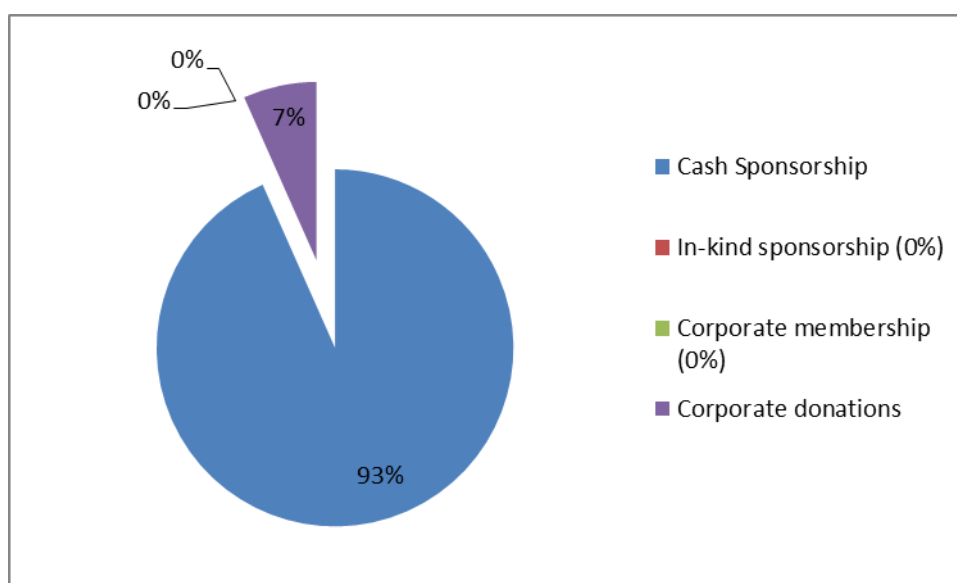
Fig 19: How much business investment did you receive in each of the following forms in the last financial year?

4.3.2   Trusts/foundations and the lottery

The Arts & Business Private Investment in Culture survey covering the same period (2010/11), found that trusts and foundations accounted for 24.8% of total private investment whilst it is 71% for the archive sector, illustrating a significant reliance on this funding source. In the Arts & Business survey this percentage figure equated to £170.2m, compared to a total of £715,800 in the archive sector.[7]
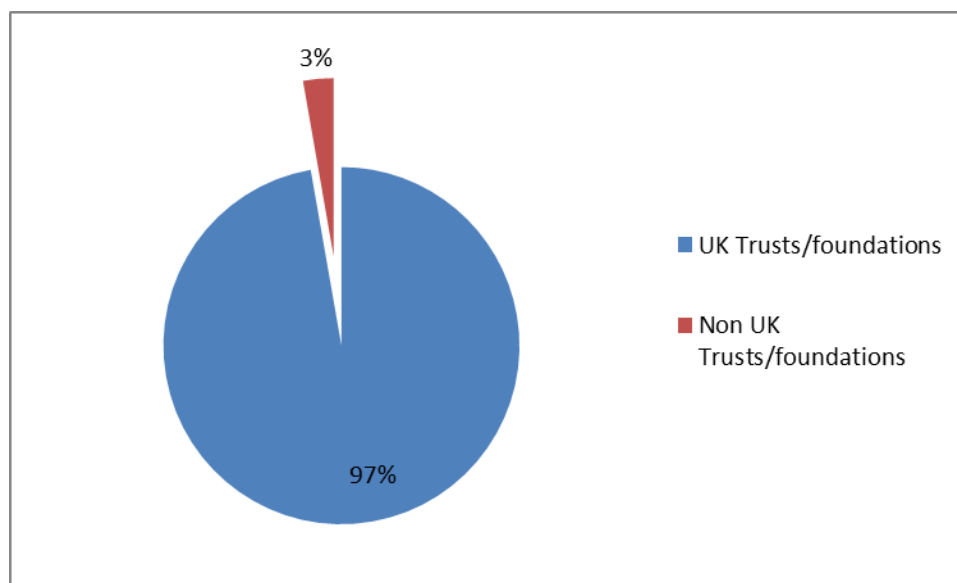
Fig 20: How much investment from trusts and foundations did you receive in the last financial year? – Comparison of UK and Non-UK sources

The survey responses regarding lottery funding were surprising, representing only around 1% of total income with a total figure of £359,113. The Heritage Lottery Fund's own figures for a comparable period, 2010-11 state that £4.8m was awarded to projects in archives[8]. The discrepancies between these figures may be due to the size of the survey group, or the fact that, as Heritage Lottery Fund grants are paid out in instalments, turnover figures may only record a proportion of the individual grant award in any given year.

4.3.3   Investment from individuals

Individual giving represents 9% of private investment (£87,284). The Arts & Business Private Investment in Culture survey 2010/11 reported that individual giving made up 55.7% of total private investment (£382.2m).[9] Survey respondents were asked to break down the sources of individual giving as outlined in Fig. 21 overleaf. This shows that the majority of individual giving takes the form of donations.
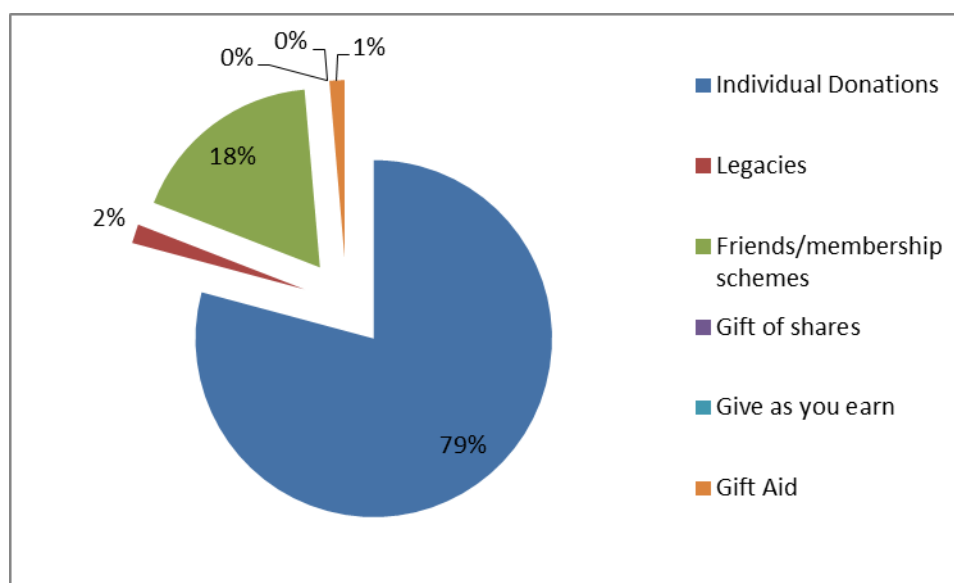
Fig 21: How much investment from individuals did you receive in each of the following forms in the last financial year?

4.3.4   Volunteering

Respondents were asked if they record a financial equivalent against volunteer support. Only two respondents stated that they did so. Of those respondents who provided a total of volunteer hours contributed over the last financial year to their service, the total was 82,935.6. The average per responding organisation was 2176 hours. The CIPFA Archive Service Statistics record 240,663 volunteer hours within local authorities in England and Wales in 2010-11.[10]

4.4   Allocation of resources

The fifth section on the survey tried to identify in what areas of service delivery earned income and private investment are being used. A comparison of Figs. 22 and 23 demonstrates that whilst earned income predominantly went into operational costs, equal amounts of private investment were allocated to activity and capital projects. No earned income was spent on capital projects, and respondents reported that 10% of earned income is not allocated to activity, capital or operational expenditure. The latter figure may reflect the fact that many services also reported that income is not retained by the archives service itself, but is reallocated at a higher level of budget setting within the organisation. Whereas the small amount of unallocated private investment reflects fundraising is more likely to be targeted for specific purposes.
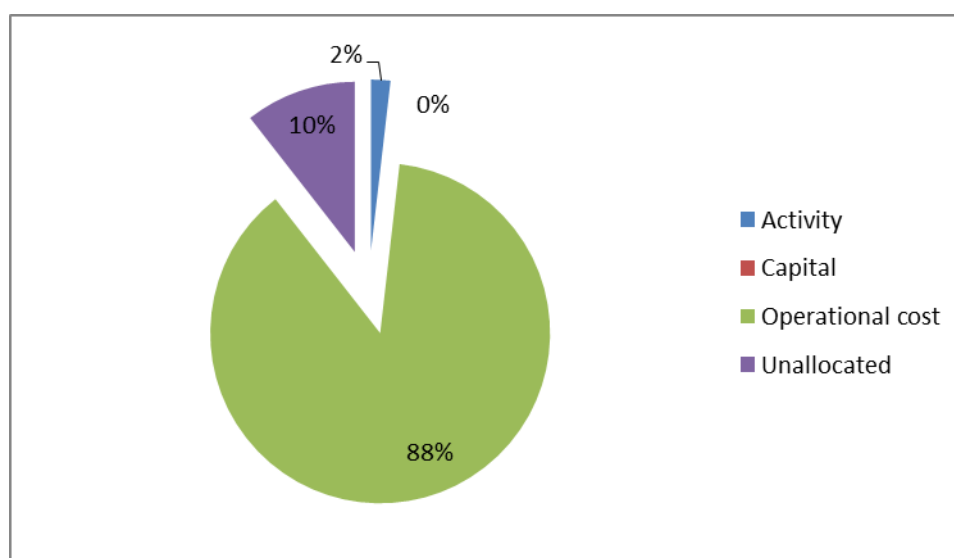
Fig 22: How was the Earned Income (Q13) received by your archive service in the last financial year spent?
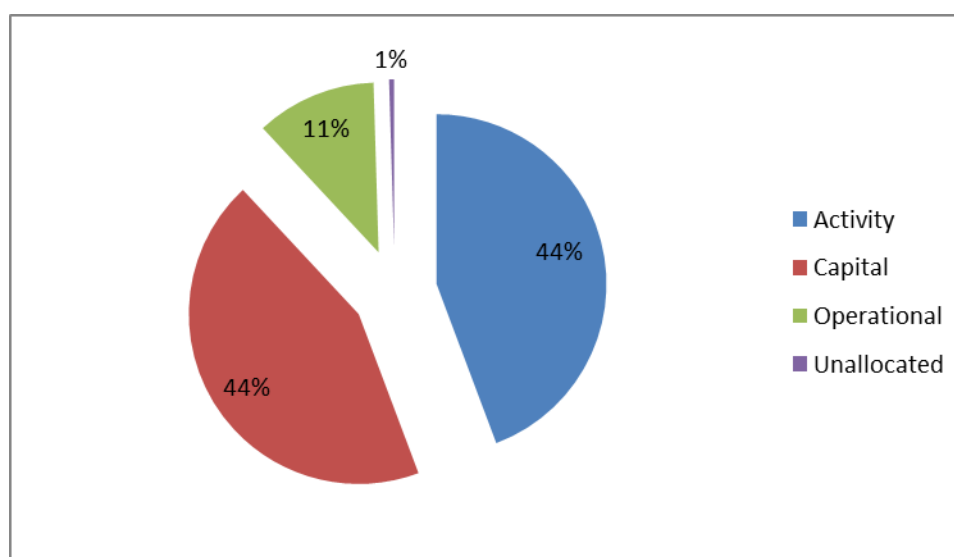
Fig 23: How was the Private Investment (Q15, 18, 19) received by your archive service in the last financial year spent?

Fig. 24 demonstrates that earned income (excluding the unallocated funds) is fairly evenly split between spending on access, preservation and other costs. Fig. 25 suggests that whilst very little private investment is described as unallocated, the majority of private investment is allocated to costs associated with preservation.
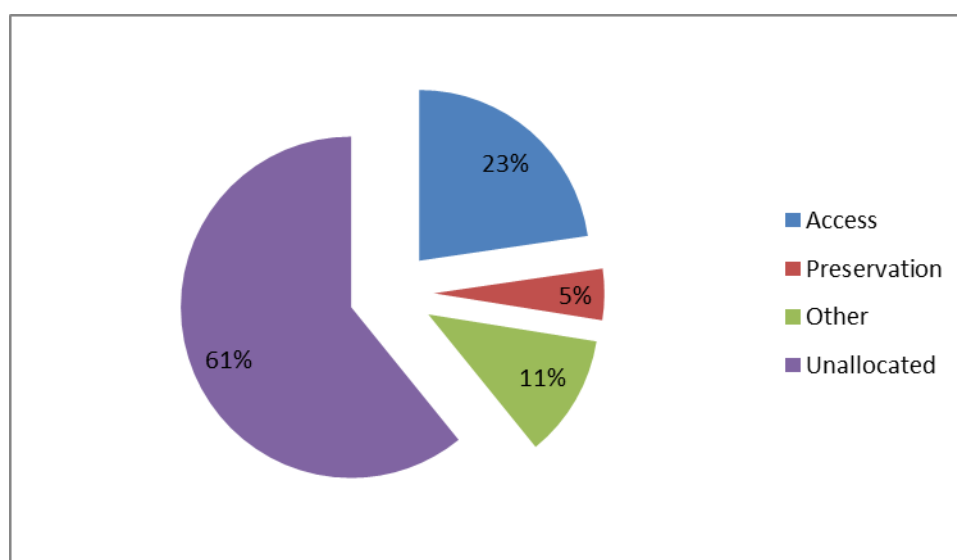
Fig. 24: How was the Earned Income (Q13) received by your archive service in the last financial year spent?
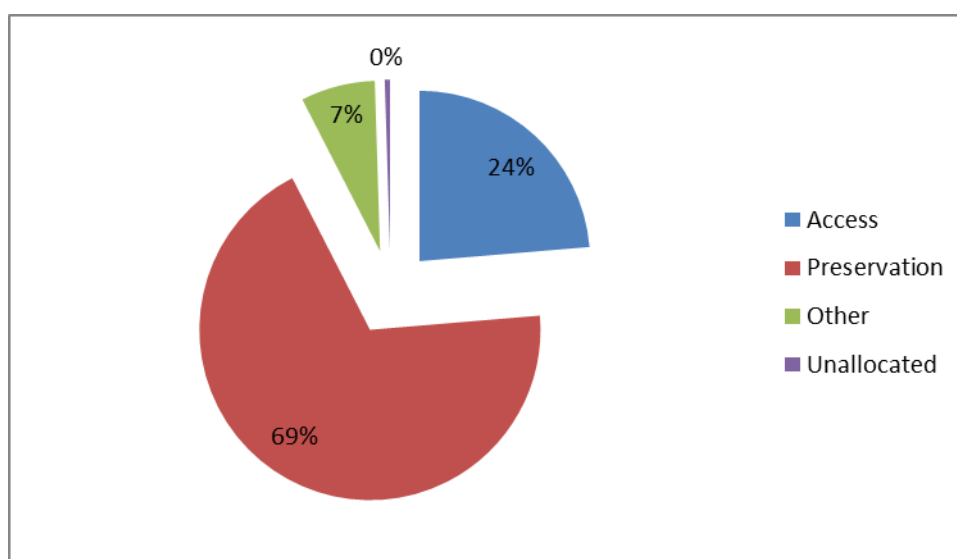
Fig 25: How was the Private Investment (Q15,18,19) received by your archive service in the last financial year spent?

4.5   Fundraising expertise and techniques

The final section of the survey was designed to help with identifying which fundraising techniques the sector could utilise more effectively and how they might be best supported to do so. A range of questions sought to identify what fundraising expertise and resources archive services were able to access, and where support was needed.

4.5.1   Fundraising strategies

Respondents were asked about strategic fundraising. Only 33% stated that their organisation had a fundraising strategy, although this compares favourably with the figure of 18% recorded in 2010 self-assessment returns[11]. The low number of organisations with fundraising strategies is perhaps not surprising when contextualised by respondents' ratings for their own experience and confidence in developing a strategy. 88% of respondents rated themselves between 1 and 3 on a scale of 1 to 5 for experience and 85% between 1 and 3 for confidence, as illustrated below in Fig: 26.
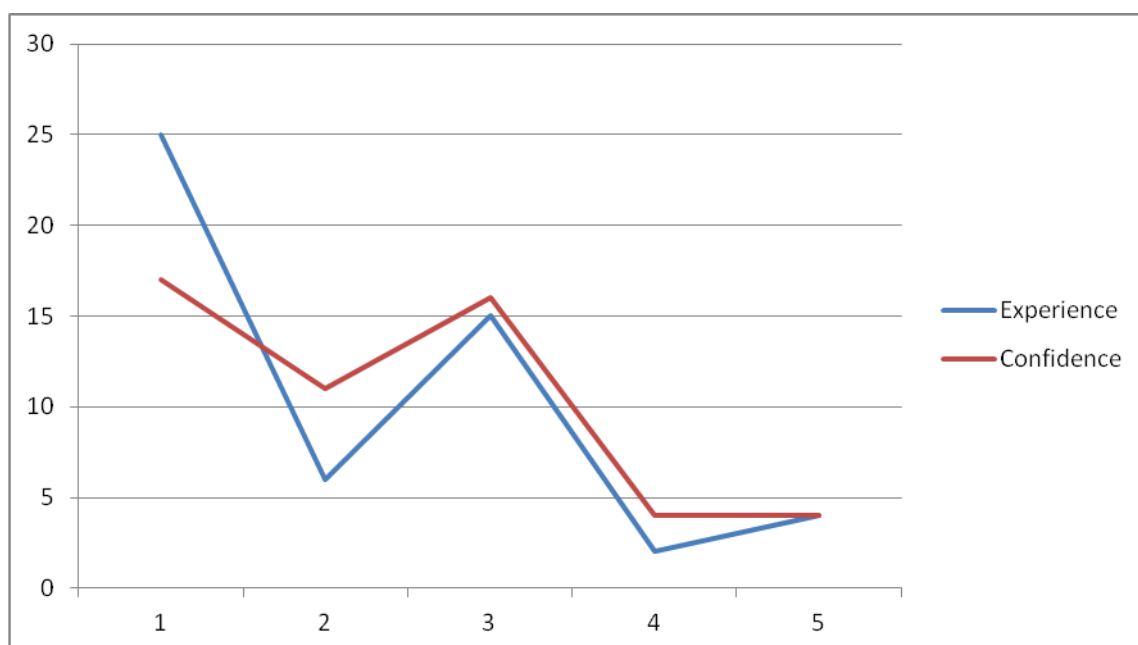
Fig 26: Developing a fundraising strategy – comparison between ‘rate your experience of the following fundraising techniques, where 1 is no experience and 5 is very experienced’ and ‘rate your confidence regarding these specific activities where 1 is no confidence and 5 is very confident’

4.5.2   Fundraising resources

The survey sought to identify what resources archive services have to help them with fundraising and income generation. When comparing the full-time equivalent staffing allocated to fundraising and income generation with the total FTE employed by the archive service, the national figure allocated to this activity is only 3.2% and only 17% of respondents have a budget allocation towards fundraising activities, resources and training. This suggests that fundraising is not seen as a core activity for services.

56% of respondents did state that they could access fundraising expertise and resource from their parent organisation and Fig. 27 overleaf shows that this provision is not exclusive to one type of service.
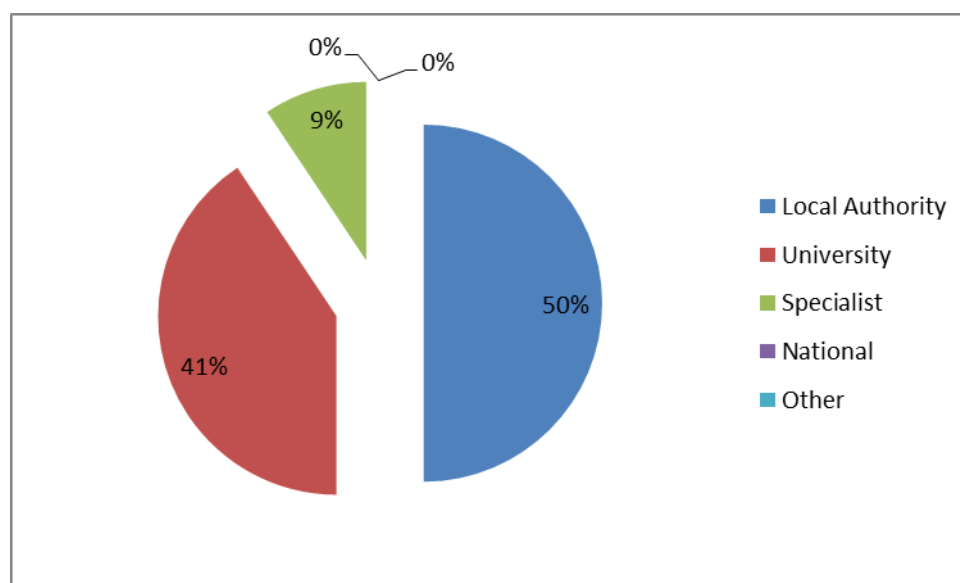
Fig 27: Comparison of type of service where respondents answered 'Yes' to Q30: Are you able to access fundraising expertise and resource from your parent organisation?

4.5.3   Experience and confidence

All respondents were asked to identify their experience and confidence levels in relation to a number of fundraising areas and techniques. This was done via two questions on the survey Q31 'Please rate your experience of the following fundraising techniques, where 1 is no experience and 5 is very Experienced' and Q32 'Please rate your confidence regarding these specific activities where 1 is no confidence and 5 is very confident.' Figs. 28-35 take each technique in turn and compare the reported experience and confidence levels.
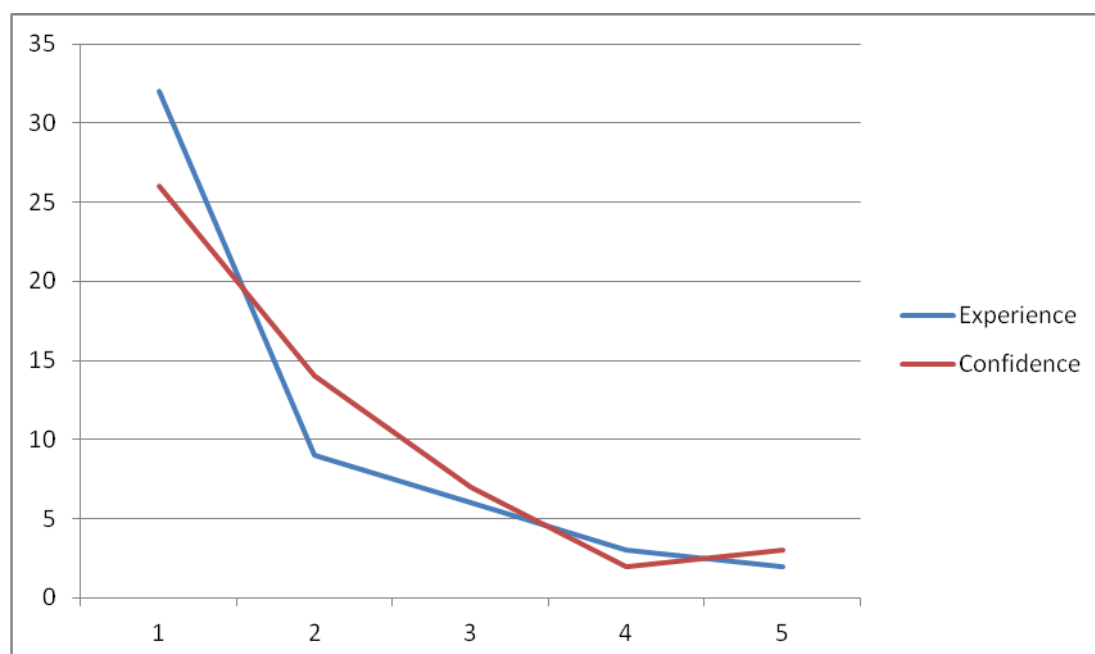
Fig 28: Running a capital campaign (1=no experience/confidence – 5=v experienced/confident)
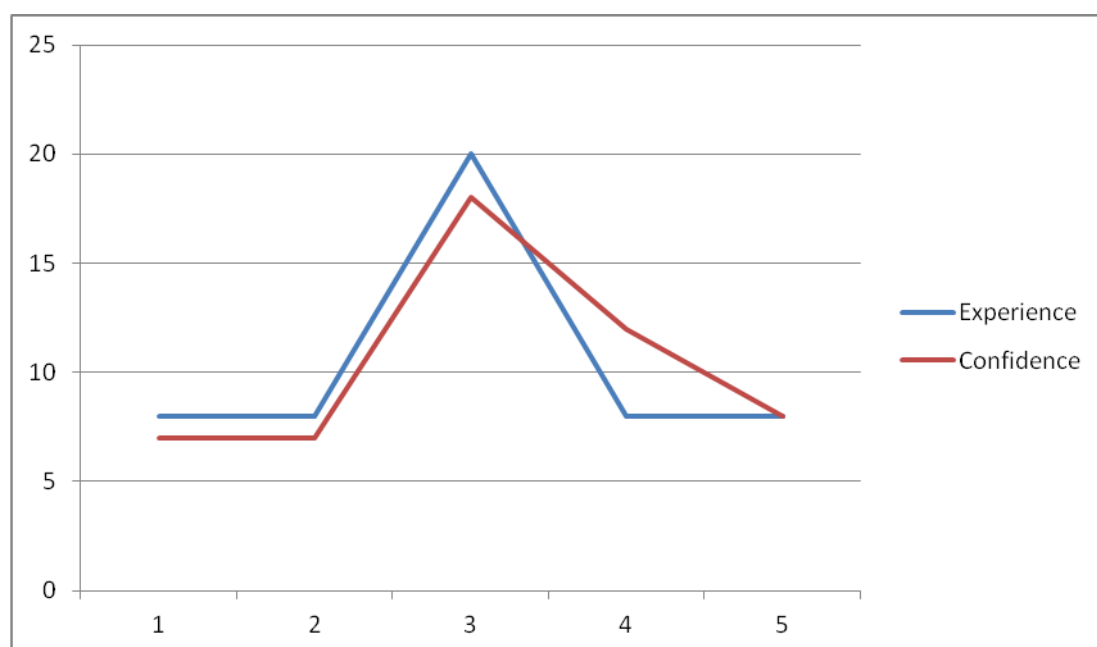
Fig 29: Writing applications to trusts and foundations (1=no experience/confidence – 5=v experienced/confident)
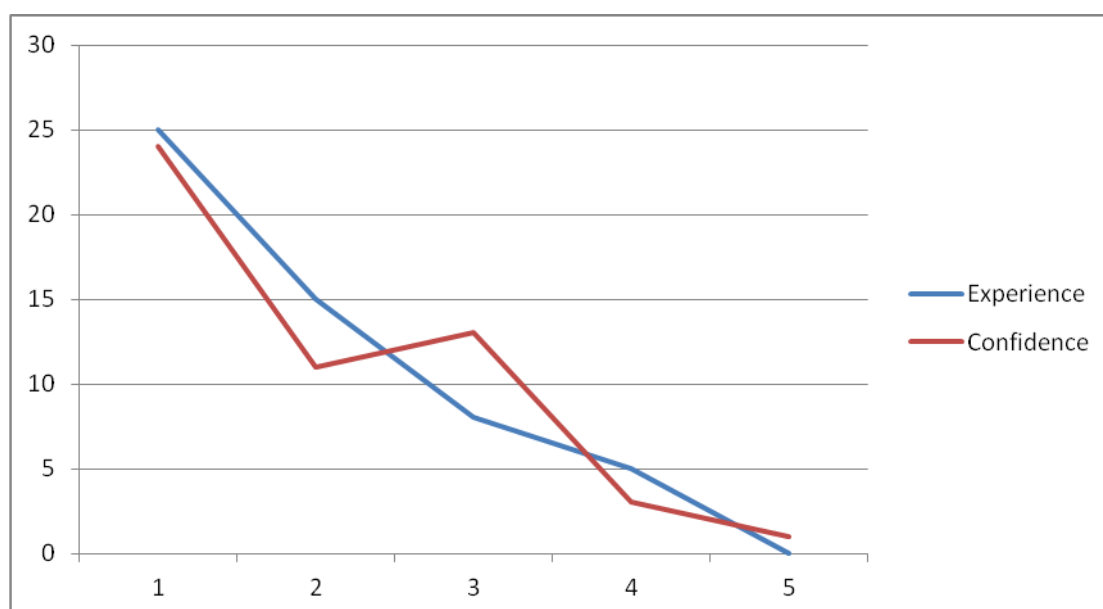
Fig 30: Developing relationships with high net-worth individuals (1=no experience/confidence – 5=v experienced/confident)
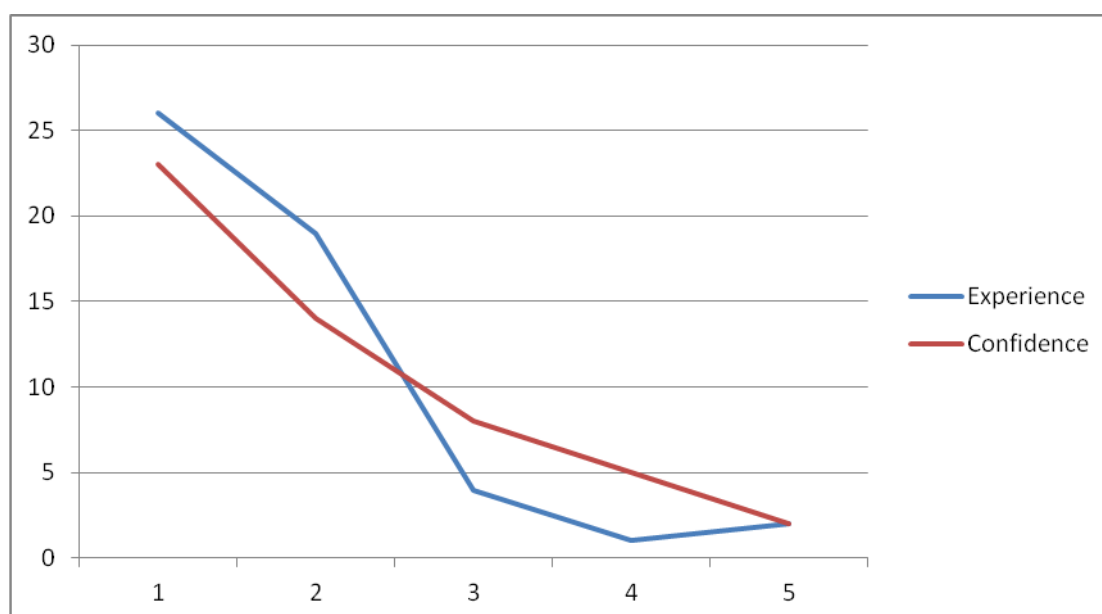
Fig 31: Developing relationships with business (1=no experience/confidence – 5=v experienced/confident)
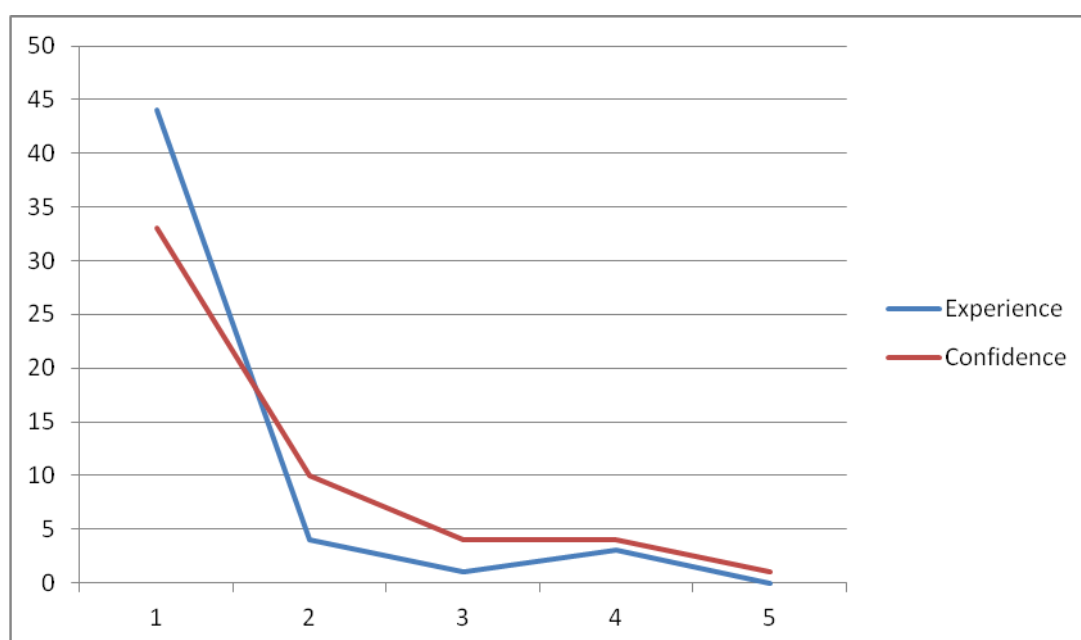
Fig 32: Setting up online giving opportunities (1=no experience/confidence – 5=v experienced/confident)
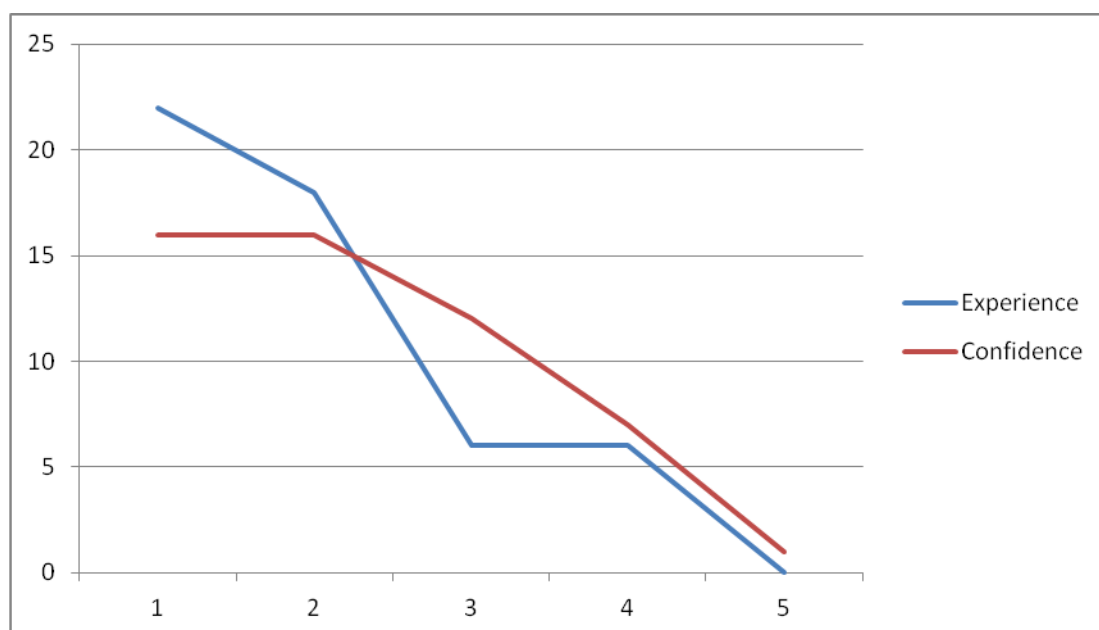
Fig 33: Organising fundraising events (1=no experience/confidence – 5=v experienced/confident)
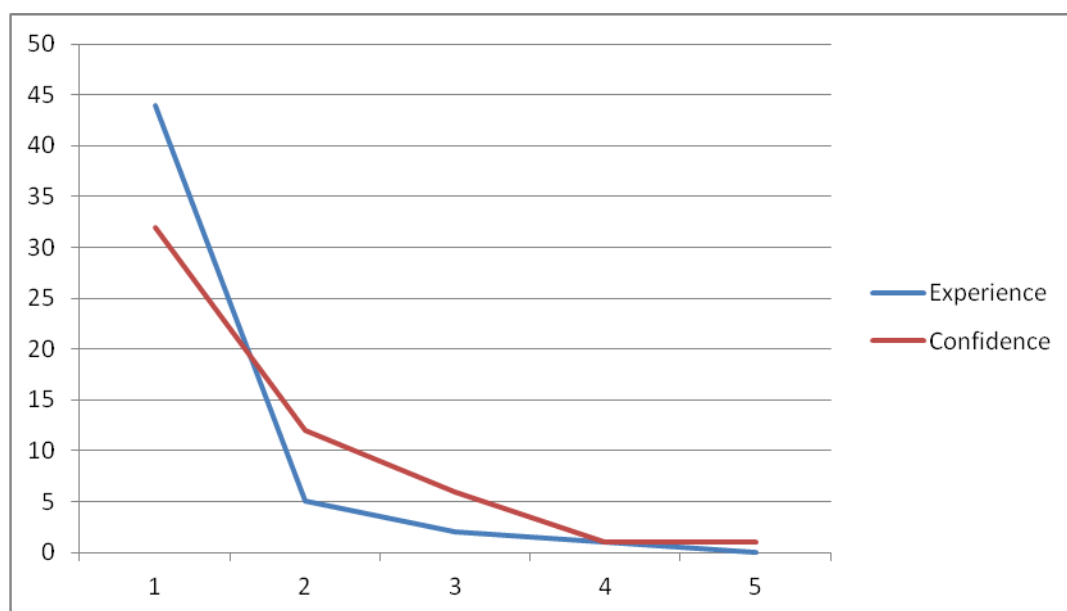
Fig 34: Setting up and running legacy programmes (1=no experience/confidence – 5=v experienced/confident)
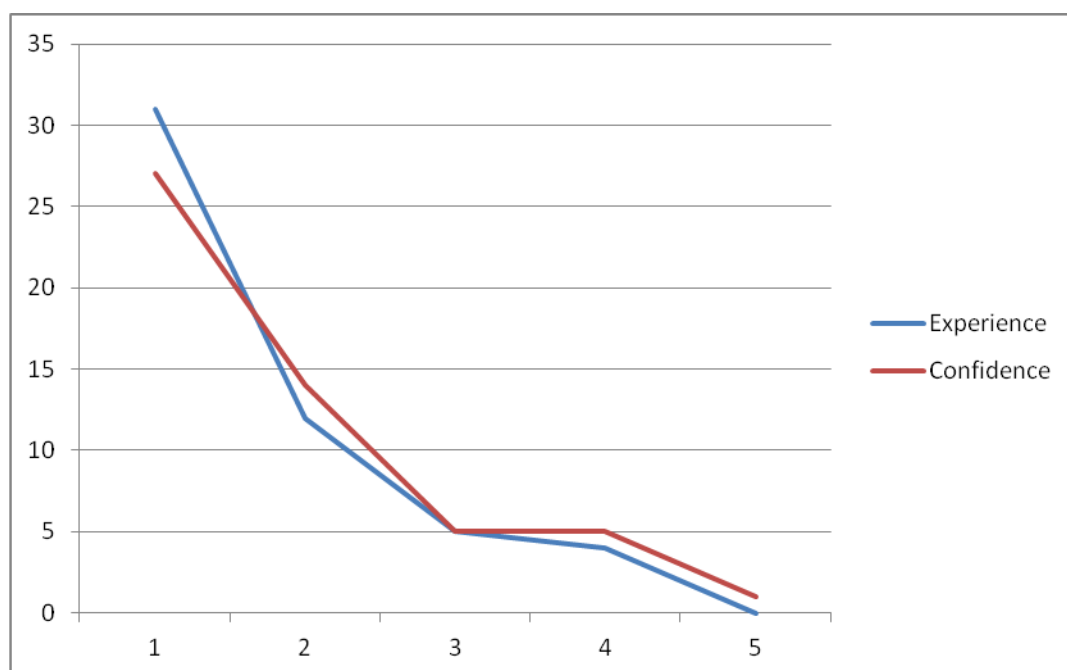
Fig 35: Using direct marketing (1=no experience/confidence – 5=v experienced/confident)

These figures show that in general terms there is a strong correlation between confidence and experience levels. Fig. 36 below takes each of the responses to individual questions and illustrates the comparison between different techniques. This is based on an analysis where response ranged between 3-5 (i.e. where respondents expressed average or above experience or confidence).
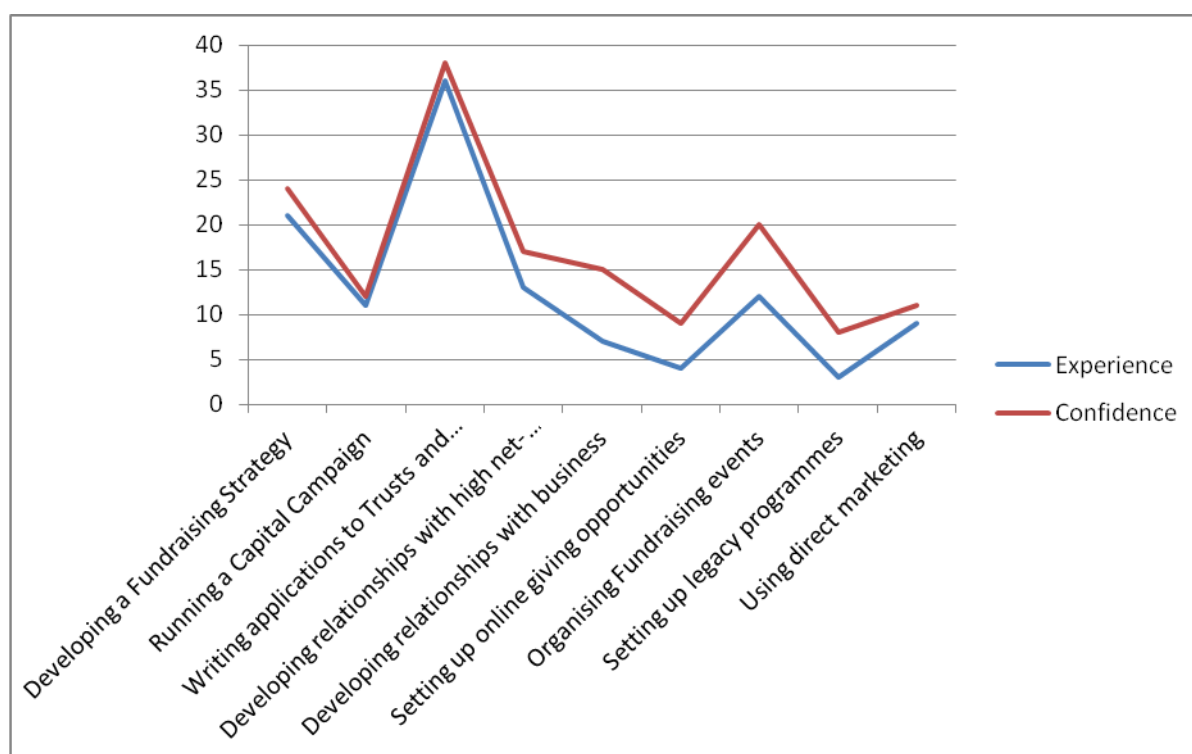
Fig 36: Comparison of confidence and experience levels

This shows that the three techniques services have most experience of are 'Writing applications to Trusts and Foundations', 'Developing a Fundraising Strategy' and 'Organising Fundraising

Events', with writing applications scoring significantly higher than the others. This is also reflected in confidence levels. However when referring back to Fig. 29, it is apparent that even with writing applications to trusts and foundations, the largest number of respondents only recorded an average score (i.e. rated themselves at 3).

4.6   Summary

For the first time, the sector has an evidence base that begins to tackle the research question 'how are archives in the UK funded?' Section 4 reveals that some of the general statements made within the archives sector are not purely speculative, but can now be evidenced. Namely that;

- Services are reliant on parent organisations for either the whole or the majority of their funding.
- Little investment is made at a service level to diversifying funding sources.
- Archivists are lacking in confidence and experience in a range of fundraising techniques

However, analysis of the current climate does not represent a wholly gloomy picture. Once it is recognised that within the archives sector fundraising is still in its infancy, there are a number of healthy signs to the potential for future improvement, and there are a number of potential interventions to address some of the weaknesses and tackle some of the threats to this area of work to be explored in Section 5.

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[1] For example, the Welsh Government through CyMAL: Museums Archives and Libraries Wales division, provides funding for all-Wales archive projects of benefit across the sector in Wales, but this funding is not readily attributable within a single service context.

[2] CIPFA, 2010, p.3 CIPFA 2011, p.4

[3] The full report of the Private Investment in Culture survey for 2010/11 was not available at the time of writing. Figures quoted in the text are from initial published findings available on the Arts & Business website http://artsandbusiness.org.uk/Central/Research/Investment-and-funding/private_investment_culture_1011.aspx

[4] In the survey, not all responses about earned income in Q13 add up to the figures presented in Q10. Fig 17 is based on Q13 responses.

[5] Arts & Business Private Investment in Culture survey 2010/11 interactive map http://www.artsandbusiness.org.uk/flash/picsmap/index.html

[6] ibid

[7] ibid

[8] HERITAGE LOTTERY FUND 2011

[9] Arts & Business Private Investment in Culture survey 2010/11 interactive map http://www.artsandbusiness.org.uk/flash/picsmap/index.html

[10] CIPFA 2011 p.29

[11] Figure taken from analysis of individual self-assessment returns. For more information about The National Archives initiated a self-assessment performance measurement programme for local authority archive services see http://www.nationalarchives.gov.uk/archives-sector/key-sector-statistics.htm

5   Research Analysis

Whilst Section 4 has drawn on some comparisons with the wider arts and cultural sector, it has to be recognised, based on these survey findings and the literature review, that fundraising is not currently seen to be an essential element of delivering an archives service. It is not viewed as a core activity in the same way that collections management and providing on-site access might be and to improve archive services ability to fundraise a long-term cultural shift is required and interventions are required at both local and national level to achieve this.

Section 5 seeks to explore these findings in more depth, to address the research questions posed at the start of the research project;
- What funding resources are under developed within the sector?
- What appropriate advice and training support can be delivered by The National Archives to improve access to additional funding resources?

Rather than address each funding source in turn, this section will explore a range of broader issues that the research has thrown up, using the classic SWOT analysis model.

5.1   Strengths

A number of strengths have been identified within archive services, and within the sector at large, that can and should be built on in the future. These can be seen as the foundations upon which a cultural shift might be built.

5.1.1   Parent organisation support

The survey findings that 82% of funding for archive services comes from parent organisations and that could be seen as both strength, and a weakness. This clearly shows a commitment to investment by those organisations. Whether this core funding is sufficient to deliver a fit-for-purpose service is not possible to extract from the survey data set, although other evidence such as The National Archives self-assessment programme would suggest that this is not a given[1]. It is crucial that this commitment to funding archive services is maintained and built on. As focus group members emphasised, efforts to diversify the funding of a service must be predicated on growing budgets. For example, a service currently receives a budget of £200K of which £160k comes from its parent and £40k from external sources. i.e. an 80:20 split. A target might be to achieve a 70:30 split but the aim must be to continue receiving at least £160K from the parent organisation and to grow external investment to £69K giving the service a turnover of £229k, not to enable to parent organisation to reduce its commitment to £140K on a total turnover of £200k.

More research is needed with those 12% of services who stated that they receive 100% of their funding from their parent organisation to identify whether this represents a robust and on-going commitment from their parent organisation. It may be that the parent body has an ethical standpoint or business model that does not accept or need external funding. If this is the case, as long as the service is adequately funded, this should be considered an appropriate response. It may also be the case that fundraising and/or income generation are focused on a different part of the organisation. If this is a strategic position that acknowledges that the archive services is not the focus of this activity, and for that reason the parent body will provide sufficient funding to this area of its work, again this should be seen as an appropriate response within an organisational context. If, however, as seems more likely, it is simply a lack of capacity within the archives service to develop and deliver a fundraising strategy then this barrier needs to be addressed.

Section 4.5.2 revealed that 56% of survey respondents have access to fundraising expertise within their parent organisation. This is a very promising basis for future development as it suggests that if archive services foster strong relationships with these staff and access internal knowledge, then there is often a potential capacity building resource available at local level.

5.1.2   Tradition of sharing knowledge and collaboration

There is a tradition of knowledge sharing within the UK archive sector which suggests that some level of cultural shift in attitudes to fundraising could be achieved without a large scale top-down change programme. Models like the Major Archives Project Learning Exchange (MAPLE)[2] show how archive services can come together to create communities of practice; sharing knowledge based on their experience. There is also a track record of collaboration within the sector to create national inter-organisational infrastructures, such as the Archives Hub and Access to Archives. Also at a national level organisations such as Archives and Records Council Wales (ARCW) have accessed significant funding from the Welsh government, via its CyMAL; Museums Archives and Libraries Wales grant programme and from the Heritage Lottery Fund and the National Cataloguing Grants scheme for collaborative projects whilst there are numerous local partnerships such as that being investigated in the Greater Manchester Archives Feasibility Study[3]. The current project led by ARA in partnership with The National Archives to create a national digitisation consortium focused on school records, could provide a model for future collaborative working, in particular helping services with less experience of income generation to explore the potential of licensing images[4]. It also demonstrates how The National Archives can, in its leadership role, harness its own technical expertise, in particular its experiences around income generation, to support and advise the wider sector.

There is also precedent for bringing together funders to work collaboratively to support the sector. The National Cataloguing Grants Scheme launched in 2006 was instigated by The Pilgrim Trust and working with The National Archives, this private trust has managed to encourage a number of foundations to contribute to a pot to support cataloguing projects, including The Foyle Foundation, The Wolfson Foundation, The Monument Trust, The Gladys Krieble Delmas Foundation, The Mercers Company Charitable Foundation, The Goldsmiths Company, and The J Paul Getty Jnr Charitable Trust.[5]. The demand for this scheme has more than demonstrated its value, and it is important that investment into this targeted programme is continued. This is not only to support the cataloguing work it funds, but also because this can act as a nursery slope for archivists and organisations new to fundraising, enabling them to gain valuable experience of developing a case of support within a programme that is closely aligned to their core objectives. The collaborative approach could also be explored with other forms of private giving (see Section 5.3.6).

5.1.3   Accessing the Heritage Lottery Fund

Despite the low figures recorded within the survey data for 2010/11 (see 4.3.2), it is a fact that the archive sector has received substantial investment from the HLF; £179.8m to 640 projects between 2004 and 2011[6]. The sector has a track record in capacity building to support accessing funding from this source, with nearly 450 attending funding workshops through the Archive Lottery Advisory Service, and subsequently The National Archives. Indeed, in a straw poll amongst focus group attendees, the lottery was still identified as the top funding source that the sector should focus upon. Although not all funders will have the same shared objectives that are evident between the archive sector and the HLF, the combination of engaging with the funder at policy making level and providing tailored support for individual applicants is a model that can be drawn on for engagement with other public funding sources. It is important, particularly as HLF has experienced an increase in its funding for new grant awards and will be delivering new

programmes from 2013, that initiatives to support a diversification of fundraising are not detrimental to supporting archive services to access HLF funding.

5.1.4 Writing bids to trusts and foundations

The focus group also felt that bidding to charitable trusts and foundations should continue to be a priority within the sector, scoring it second in a priority list. This builds on a perception that this is a funding source that the archives sector feels relatively comfortable with, achieving 77% of total private investment from this source, and that there is more potential to tap into in this area. This potential is backed up by the Arts & Business Private Investment in Culture survey which suggests that trusts and foundations are effectively stepping into the gap left by a drop in business investment in the culture, with funding from trusts and foundations increasing by 10% in 2010/11.[7] As many trusts and foundations (as well as the HLF) rely on a written application or case for support for their decision making, it is perhaps not surprising that the highest confidence levels within the survey were recorded for writing applications.

One advantage of this type of fundraising is that it usually requires little upfront additional financial outlay. The main investment for services is in staff time to research funding sources, devise project plans and complete application forms. Another advantage is that is lends itself to those with research skills, analytical thinking and good written communication skills, all of which sit comfortably within the skill set of most archivists. However, it would be unwise to overplay the sector's strengths in this area, particularly in a period where staff time to focus on this activity is under increased pressure. Assessors of a range of grants programme have continued to feedback that there are a considerable proportion of applications from the archives sector that are poorly produced and continued capacity-building support in this area is still required.

5.2 Weaknesses

There are some significant weaknesses that have been identified as key barriers to improving fundraising and income generation within the sector.

5.2.1 Governance Models

Most fundraising models are predicated on a governance structure headed up by a Board of Trustees; often the organisation is also expected to have charitable status. Whilst this is sometimes the case for independent archive services, for example, the History of Advertising Trust or Black Cultural Archives, more frequently archive services are embedded in a wider organisation which may or may not have Trustees, and may or may not have charitable status. Trustees are represented within the wider literature on effective fundraising as a vital ingredient to successful fundraising[8] and many funders will only support, or will give preference to, organisations with charitable status. Fig 16 in Section 4.1.7 illustrates that archive services within organisations with charitable status receive 5% more of their funding from external sources than the national average. So there is a challenge for a significant number of archive services in competing for funds against organisations with the classic fundraising governance model, or learning from their good practice.

A number of options present themselves to archive services. The most radical is to move the archive into the third sector, transferring the service into a Trust, with a board and charitable status, thus replicating this model[9]. However this has considerable legal and other implications to the service, which The National Archives is seeking to clarify and articulate through a guidance note[10]. These challenges are unlikely to make this the easiest long-term solution. Another option is for services to identify who effectively takes on similar governance roles, and to be fully cognisant of how their own organisation operates in order to draw on the standard fundraising models for ideas. For example a Pro-Vice-Chancellor within a university might have

responsibility for external development and thus takes on the role of a fundraising trustee. The organisation may already have a semi-independent development body with a role to exclusively fundraise for it or a commercial arm to lead on income generation. In these instances the archive services needs to ensure they are fully engaged with the staff working in these areas and that mutually beneficial partnerships are in place. The Literature Review (Section 8.1) suggests that lessons might be learnt more effectively from academic libraries, particularly in the USA. A third option might be to develop an independent Friends' Group into a more effective fundraising tool. 43% of survey respondents have such a vehicle for fundraising and more work is needed to fully research how effective they are at exploiting the funding sources explored in this report, and to allow the sector to learn from the best examples.

5.2.2   Financial Planning

As discussed in Section 3.2, of the returns logged onto the Opinio software, 35% did not contain enough information to be usable as part of the data set. One reason for this might have been the inability of potential respondents to present the information in the required form. Lack of confidence in numeracy, financial forecasting and budget planning may be part of the reason for this. The focus group expanded on this suggested that many archivists take on budget responsibility without robust training and continue to lack confidence in this area. This is not a problem specific to the archives sector. An analysis of data from Arts Council England Regularly Funded Organisations stated that 'Incomplete data led to a large volume of records being excluded from the analysis, and this in itself is evidence of a need to improve financial literacy and the capture of data on financial performance'[11].

UCL, University of Dundee and University of Liverpool all include financial planning and fundraising in core management training for archivists and records managers in their post-graduate programmes[12], however this is inevitably a small part of an overall teaching programme and the timescales for graduating students progressing to budget holder roles will inevitably vary. Providing access to further financial training support might help to ameliorate this issue. This could be tackled at an individual level at key moments within a career progression (as identified via a Competencies Framework) through the Archives & Records Association's Continuing Professional Development programme. It could also be embedding into support at an organisational level via the Archive services Accreditation programme or mentoring, or a combination of the two. The identified need across the wider cultural sector might also enable collaboration between strategic agencies in supporting this area of development work.

5.2.3   Incentives and disincentives

47% of survey respondents did not have control over setting income targets or making decisions on where to spend that income. 55% did not have control over private investment. This comment from a survey return on earned income, 'this sum goes into the general income for Heritage Collections and would be allocated along with other monies', is not uncommon. With low levels of resourcing at service level in fundraising and income generation there is for many a built-in disincentive in their organisation's accounting systems to earn income. If organisations wish to increase their income they will need to divert more time and resource to this activity. If HoAS are not going to receive the benefit of this external funding, because it is returned to a common funding pool, then they are highly unlikely to focus more than the current 3.2% of staff time (see Section 4.5.2) to fundraising. Thus the same low level of fundraising activity will continue.

HoAS will need to get better at arguing for the benefits of accessing external funding, and having control over its expenditure at a service level. This is unlikely to take place until HoAS have confidence in suggesting their own earned income and fundraising targets. And this is unlikely

to be possible until overall confidence levels have improved enough to enable a larger proportion of services to develop realistic fundraising strategies. Alongside improving confidence levels across the archives sector, key bodies such as The National Archives will need to engage relevant stakeholders such as the Local Government Association to approach this from a strategic perspective, discussing the issues around dis-incentivisation.

5.2.4 Resource allocation

The lack of resources allocated to fundraising has already been referred to as a disincentive. 83% of respondents had no budget allocated to fundraising activities, resources, and training. This could reflect a current lack of need to demonstrate pro-active fundraising at service level, but it is also likely to suggest a lack of understanding, and recognition, of the need to invest in fundraising. All types of fundraising require some initial outlay of investment whether in staff time or budget to support training, research, bid writing, relationship management and specific fundraising techniques. With 66% of respondents lacking a fundraising strategy and 85% expressing a lack of confidence in writing one, it is clear that more development support is needed to help services through the steps necessary in order to identify appropriate budgets for this activity. With a plethora of funding sources and tactics available to archive services it is essential that each individual organisation is able to identify its own approach and to have a realistic understanding of the possible return on investment (RoI) of any given technique.

5.2.5 Risk taking and innovation

With relatively small budgets and low profiles within their parent organisation, it is not surprising that most archive services shy away from risk taking, preferring to draw on the experience of fellow archive practitioners to improve their services, than pilot completely new approaches. The difficulty of this professional culture is that if no service is willing to take the first step to try new approaches, then stasis prevails. This has been recognised within the sector and initiatives such as the Archive Pace Setters programme have sought to support and celebrate innovation[13]. This is a recognised weakness in relation to testing out fundraising techniques. Section 4.5.3 has outlined both a lack of experience and a lack of confidence within the sector. The archives sector needs to break out of a lack of knowledge/lack of experience/lack of confidence default position.

It is essential that The National Archives raises the profile of good fundraising practice within the sector and provides case studies that other services can learn from. In some instances where no good practice examples are available in the archives sector there are two options. The first option is to identify good practice from outside the sector and encourage learning from it. Traditionally archivists seem to have struggled with learning from outside the sector, finding this easiest where the good practice examples are from related sectors for example libraries and museums, but an insistence on emphasising the uniqueness of archives and the challenges of delivering archive services has often hampered a recognition of the similarities.

A second option is to support innovation by reducing the risk to an individual archive service of testing out a new approach. The National Archives could create a 'development laboratory' providing small amounts of funding to support the piloting of new approaches. This would not be a grants programme but a partnership between The National Archives and an individual service. The service would be identified as a willing innovator and able to provide some level of staff and in-kind support to the pilot. The National Archives might provide funding to support an initiative in a time-limited context, lead on evaluation of the pilot and then use this to support development within the wider sector alongside the archives service. By creating a 'development laboratory'; an environment within which a pilot is not judged on a crude success/failure

measure is created. In this way the archive sector can be moved from struggling to learn from external good practice, to drawing from peer learning.

5.2.6 Advocates and relationship management

Section 5.1.4 explored how written applications for funding fit into an existing comfort zone for the sector. Section 4.5.3 demonstrates how low confidence levels are in a range of other fundraising techniques. Many of these techniques are based on relationship management. As well as requiring sufficient resource to support the building of long-term relationships with individual donors or businesses, they require fundraisers to be proactive, approaching potential donors often in a face to face conversation, selling their service's vision and asking for financial support. There are some real attitudinal challenges for both individual archive services and the sector as a whole in developing this approach to fundraising.

At a national level the sector lacks strong advocates, members of the profession with a public profile and 'the great and the good' willing to present the case for funding of archive services. Some attempts have been made to improve this situation, through the creation of the All Party Group on Archives and History and through individuals such as Professor Lisa Jardine, Patron of the Archives & Records Association. However, much more progress is needed to get key advocacy messages across at a national level and to set a context for local fundraising. At a local level services need strong advocates both within and out with their organisation to support their fundraising. Archivists need to have the confidence and skills to tap into the motivations of individuals and businesses to give. Section 5.3.5 suggests there are some real opportunities if the messaging is targeted correctly. The Survey of Visitors to UK Archives states that 95% of visitors rate the 'helpfulness and friendliness of staff' as good or very good[14]. This indicates that good face to face communication skills are embedded in service delivery, so the issue is how to exploit these in a fundraising context.

5.3 Opportunities

There are a number of opportunities presented by The National Archives taking on a wider leadership role for the sector, and by activity driven by the Government's 'Giving' agenda, that could be capitalised on through a coherent development programme.

5.3.1 National levers - Archives for the 21st Century and Accreditation

The government policy for archives, *Archives for the 21st Century* and its refreshed Action Plan provides a context for at least the next 3 years in which to develop the key messages referred to in Section 5.2.6. The creation of an accreditation standard for the archives sector is central to the delivery of the *Archives for the 21st Century* priority to develop sustainable services. With the emphasis on ensuring organisations are resourced to undertake their plans and responsibilities, accreditation supports examination of financial planning and how it aligns with strategic objectives. This focus spotlights the core role of approaches to funding and offers an opportunity for services to review the effectiveness of current arrangements and to plan for future diversification..

5.3.2 Developing an evidence base

The National Archives has inherited from MLA a research remit that gives it an opportunity to develop and grow its existing evidence base. There is also close collaboration within the sector on capturing statistical data and evidence, with the ARA's Public Services Quality Group playing a key role. In addition there is a tradition of collaboration amongst the UK's archives and records management academics, an example being the ARMREN project which explicitly set out to create a network to develop research in archives and records management. This track record in research collaboration could help support further necessary research into more specific areas

of fundraising and income generation and enable the survey undertaken as part of this research to develop into a longitudinal study. A repeat of the survey would need to be refined to consider how to capture more information about financial contributions to services that are not represented in their turnover figures, for example where a Friends' group is funding an activity or a partnership project where the funding is contained within a partner's budget.

5.3.3 The National Archives as information conduit

The National Archives has a range of existing and developing communication routes that can be used to highlight funding streams, disseminate information about fundraising and income generation techniques and generally attempt to interpret the wider funding landscape to provide targeted information to the archives sector. In 2012 The National Archives launched a new suite of web pages aimed at the archives sector with an enhanced section focused on funding[15] and a section for case studies. It is also currently experimenting with online community forums which might lend themselves to supporting a community of practice focused on fundraising (see Section 5.1.2).

The National Archives is committed to 'act as a critical friend offering advice, guidance, support and a challenging voice to services and their parent bodies'[16]. By improving the skills set of The National Archives staff through a 'train the trainer' programme it will be well placed to support services seeking to improve their fundraising and income generation, and more critically will be able to ensure that discussion around fundraising is within a broader conversation of sustainable business models. This should help with a cultural shift to embed fundraising within core management practice, moving away from a perception of it as an additional un-resourced extra.

It is not only The National Archives that can take a role in providing one to one support and the focus group were supportive of sharing learning and the idea of someone who can 'be on the end of the phone'. Once a body of confident fundraisers within the archive sector is created and supported, they too can take a mentoring role, in support of other services. Indeed, taking on a mentoring role could become a prerequisite of the proposed 'development laboratory' outlined in 5.2.5. The National Archives or the Archives & Records Association could play a key role in facilitating a mentoring programme, but the emphasis would be on peer to peer learning.

5.3.4 Higher education sector

Fig 14 in Section 4.1.6 suggests that university archives are achieving a more diverse funding mix than the local authority sector, with 31% of their funding from external sources. With 15% of funding from private investment compared to 2% in local authority run archives there are may be lessons that local records offices can learn from colleagues in the HE sector. In addition the focus group highlighted that there is considerable potential in archive services partnering with universities to access higher education funding sources, following the examples of projects such as the JISC funded collaboration between Coventry University, BT Heritage and The National Archives to catalogue and digitise material from BT's Archive[17], or the development of Collaborative Doctoral Awards funded by AHRC such as that between University of Leicester and the Record Office for Leicestershire, Leicester, and Rutland[18]. Although these collaborative projects would not necessarily be reflected in the archive services' own turnover figures, as the grant might be held by the HE partner, there are undeniable benefits to the service in being involved.

5.3.5 Capitalising on engaged user base and volunteers

Section 5.2.6 has already referred to the positive user experience that most visitors to archive services have. These users can not only act as powerful service advocates but might be the basis for an individual giving programme. A real challenge for many cultural organisations is

identifying who is their audience. Free museums have very little opportunity to gather information about their users, and even organisations producing ticketed activities only have minimal information about who is purchasing those tickets.[19] Archive services have much more opportunity, through the one-to-one nature of the service and the processes that enable users to access records (i.e. requisition information), to have a detailed understanding of their current users and what interests them. This information could be a valuable starting point to encouraging greater individual giving particularly regular giving. In addition users have already demonstrated their willingness to engage more actively in supporting services. 44% of volunteers approached an archive service directly to offer their time to support the service[20]. This suggests that there may be a far greater pool of users willing to offer a financial contribution to supporting services, if the messaging and mechanisms were appropriate (see Section 5.4.1)

5.3.6 Crowdfunding opportunities

Crowdfunding as a concept is not new; it is simply the mechanisms that allow many individuals to give small amounts of money that have changed. Technology has led to a boom in online giving platforms and associated opportunities for giving via mobile phones[21]. There is little evidence of archives engaging with online crowd-funding to any great extent to date and Fig.34 in Section 4.5.3 demonstrates a significant lack of confidence in utilising this technology. Further work is needed to explain to archives services how they might best use this technology and to articulate the benefits and weaknesses of this approach.

As well as using general giving platforms via the internet, it may be possible to create a collaborative platform specific to archive giving. This might be modelled on the Big Arts Give, an initiative in 2010 which aimed to encourage individual giving via matching donations to existing pledges using The Big Give website[22]. Another model might be the national funding scheme currently under development which aims to develop a mobile giving infrastructure for the cultural sector[23]. This proposes to allow individuals to give via QR codes whilst visiting cultural venues. The model illustrated at the launch of this concept was that of adding QR codes to accompanying wall texts for works of art, the aim being to respond to an immediate and targeted motivation to give, i.e. to support the conservation of a particular painting. The nature of archival access to individual records might make it possible to replicate this experience in an archive service. It is important for the sector as a whole to stay abreast of developments in this area, and The National Archives should take a key role in learning lessons from new initiatives, engaging with key players in these developments and identify where it might be appropriate to encourage archive services to get involved in wider giving initiatives.

5.4 Threats

Beginning from a low baseline, and trying to engender long term cultural shift within the profession, there are some significant risks that present themselves at both service level and sector-wide level.

5.4.1 Lack of engagement with issues around fundraising for archives

In Section 5.3.1 it has been suggested that the government policy, and national initiatives that support it, can be used to encourage a cultural shift and working with key stakeholders within the sector such as CyMAL and the Archives & Records Association is key to maintaining a momentum embedding a culture of fundraising and income generation within the archives profession. Work to get archives services to take fundraising more seriously needs to be accompanied by work to make funders take the archives sector seriously. There is a significant threat to improving opportunities to access funding sources if public funders are unaware of the needs of archives services and the specificity of their challenges are not addressed in funding criteria and eligibility requirements. In England there is a danger that Arts Council England's

large cultural portfolio makes it the single point of contact for strategic funding programmes. The National Archives need to create clear processes for developing relationships across government and non-departmental public bodies that includes discussion of archive services' access to funding programmes. Where direct contact is not feasible, The National Archives should work closely with Arts Council England, in accordance with their Memorandum of Understanding to ensure they are able to represent the needs of archives within a single cultural conversation[24].

5.4.2   Lack of monetary value placed on services

Holden states that 'Culture, then, is funded from a multiplicity of sources. Let us not forget that the biggest and most important slice of the cakes is from the box office.'[25] Archive services have sought to continue to provide a service that is free at the point of contact. This is in keeping with the mission and strategic objectives of these services and there is no suggestion from the research of any appetite to generate income through charging for core access, i.e. searchroom use. The survey returns, as illustrated in Section 4.2, demonstrate that income is derived from 'added value' services such as provision of copies, onsite facilities such as catering, and publications or online services and there may be potential to expand these commercial operations.

However, there is an additional threat to providing a 'free' service, in that the costs of running the service remain opaque to the user. When contingent valuation techniques are used, users are prepared to pay significantly more for archive services than they currently do. For example, in 2005 MLA North West and Bolton Metropolitan Borough Council commissioned a project to undertake an economic valuation of Bolton's museum, library and archive services using contingent valuation. In the Bolton example users were prepared to pay £1.83 per month for the archive service compared to the 17p per month per tax payer that the services was receiving[26]. Nevertheless caution needs to be exercised if archive services, particularly those run by local authorities, attempt to increase individual giving opportunities. They will need to be ready to articulate clear messages to tackle public perception that they have already paid for the activities they are being asked to support. As already highlighted this threat could be tackled through greater use of Friends' groups as the vehicle for fundraising (Section 5.2.1), ensuring additional external funding is not used as a rationale to reduce core budgets (Section 5.2.3), clear messages and strong local advocates (Section 5.2.6) and the use of national crowdfunding tools (Section 5.3.6).

5.4.3   Lack of major donors

Sections 5.2.6, 5.3.5 and 5.3.6 suggest that there is a potential to capitalise on the highly engaged user of archives to attract more individual giving. There do seem, however, to be significant challenges for archive services in attempting to attract donations from high net worth individuals. There is a perception that major donors focus their attention on national London-based institutions. Indeed examples of major donations to support archives services do seem to follow this model, for example the £2.2m donation from Hyman Keitman to support the library and archive of the Tate[27]. When considering the elements necessary to attract major individual gifts, there are challenges for archive services. Some major gifts are motivated by a culture of peer to peer giving or giving as a social activity. Large cultural institutions are well placed to provide the environment for this type of giving through the individuals that constitute their boards, development committees or other high profile advocates, and through opportunities to give at special 'cultivation' events. The high profile of the national museums and performing arts companies gives the donors a social kudos through association. As focus group attendees highlighted, the level and nature of investment that might be needed by an individual service to cultivate relationships with major donors would be unlikely to be forthcoming for both financial

and political reasons and archive services will need to accept that they cannot compete with these national cultural institutions. However there should still be the potential for archives to attract major gifts perhaps focused on major capital campaigns or acquisitions. If The National Archives and the Archives & Records Association are able to develop a wider pool of national advocates for the sector, then there could be a natural progression to identifying likely major donors and brokering relationships with individual services.

5.4.4   Lack of business relationships

There is an overall threat to business investment in the current economic climate. With the Arts & Business Private Investment in Culture survey recording a 7% decrease in business investment[28], a prioritising on improving business investment into the archives sector would seem to be a risky strategy, particularly as Section 4.3.1 has demonstrated the very low level of business investment at present (if a single major donation is isolated from the overall figure). There are some examples of business giving towards specific campaigns, but a pragmatic approach might be to focus resource towards attracting giving from business in two ways. Firstly, ensuring that any donations of business archives are accompanied by a 'dowry' to support cataloguing and conservation, and secondly to encourage in-kind gifts of products and services.

The 2012 Finance Act includes clauses covering the implementation of a new 'Gifts of pre-eminent objects and works of art to the nation' scheme to encourage lifetime giving. This sits alongside the Acceptance in lieu scheme and in common with that scheme, the definition of 'objects' includes archives and manuscripts. This may provide some additional incentives to the gifting of archives to the nation and The National Archives will need to publicise this as appropriate to both corporations and individuals.

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[1] For example seven archives services received the lowest rating (1) in the 2012 return
[2] Information about MAPLE is available on The National Archives website
http://www.nationalarchives.gov.uk/archives-sector/capital-developments.htm
[3] Archives Sector Update, Summer 2012 p..8 http://www.nationalarchives.gov.uk/documents/archives-sector-update-summer-2012.pdf
[4] News story on ARA website http://www.archives.org.uk/latest-news/new-digitisation-project-opens-up-income-opportunity-for-archives.html
[5] PILGRIM TRUST 2011
[6] HERITAGE LOTTERY FUND 2011
[7] Arts & Business Private Investment in Culture survey 2010/11 headline figures
http://www.artsandbusiness.org.uk/Central/Research/Investment-and-funding/private_investment_culture_1011.aspx
[8] For example BOTTING HERBST, N. AND NORTON, M. 2007
[9] FRESHMINDS, 2008
[10] Draft guidance note seen by author currently under development
[11] LUDLOW, 2010 p.2
[12] Information received by email from Programme Directors and Management course module tutors, 2012
[13] Information about the Archive Pace Setter scheme is available on the ARA website
http://www.archives.org.uk/campaigns/archive-pace-setter-scheme.html
[14] CIPFA/ARA 2011 p.14
[15] http://www.nationalarchives.gov.uk/archives-sector/finding-funding.htm
[16] THE NATIONAL ARCHIVES 2011
[17] http://wwwm.coventry.ac.uk/researchnet/grandchallenges/digitalmedia/BTArchive/Pages/BTe-Archive.aspx
[18] http://www2.le.ac.uk/study/research/funding/womens-writing
[19] INSTITUTE OF FUNDRAISING, 2012, ARTS & BUSINESS, 2012, *Growing Not Going*
[20] RAY, L. 2009, p.13
[21] See for example ARTS AND BUSINESS [n.d.]; CHAN, C.; FOSTER-HILL, J., MAKOWER, W., SZURGOT, M. 2011
[22] http://www.fundraising.co.uk/news/2010/05/28/big-arts-give-2010-launched-raise-millions-arts-individuals

[23] PANLOGIC LTD, 2012,
[24] THE NATIONAL ARCHIVES/ARTS COUNCIL ENGLAND 2012
[25] HOLDEN, [n.d.] p.9
[26] JURA CONSULTANTS 2005 p.30
[27] http://news.bbc.co.uk/1/hi/entertainment/1946721.stm
[28] http://www.artsandbusiness.org.uk/Central/Research/Investment-and-funding/private_investment_culture_1011.aspx

6 Conclusion and recommendations

Section 5 of the report articulates a case that the current funding position can be improved upon by exploiting the archives sector's strengths and current and future opportunities, and by addressing some of the weaknesses and external threats. This then raises the question - to what end? This section outlines some recommendations aimed at answering the research question:

- What appropriate advice and training support can be delivered by The National Archives to improve access to additional funding resources?

Having sought to identify how the archives sector is currently funded, creating a benchmark of current fundraising and income generation by archive services, it is critical to set these recommendations within a context of scoping what a more robust funding landscape would look like at both a local and national level. It is against these models that the impact and success of any future support by The National Archives and strategic partners might be evaluated.

6.1 A national aspirational model

The research project initially posited the question whether it would be possible to identify an appropriate funding model for the sector. It is clear that archive service can learn from the 'tripod' model and it is useful to recognise that a mix of earned income, private giving and core (predominantly public) funding provides a basis whereby the risk of the reduction of any one given funding source is mitigated against more effectively. The idea of an equal split between the three types of funding is clearly very far from the sector-wide picture illustrated in Section 4 and presented again below.
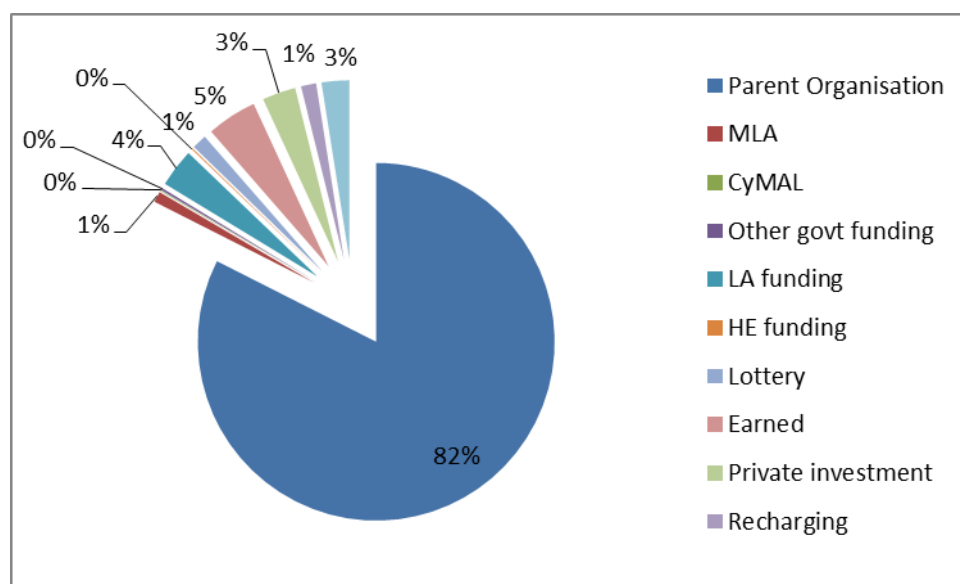

Fig 37: Archives in England and Wales: Current Income Breakdown

A target for the sector in the short to medium term must recognised both this starting point as well as the challenge to the appropriateness of the tripod model that recent economic circumstances has presented within the wider cultural sector. The research has highlighted just how much work needs to be done to create long-term change, but Figure 38 overleaf presents a model against which the sector might be measured in 2015/16, at the end of the current action plan associated with *Archives for the 21st Century*. This would provide an opportunity to revisit the findings of this report, and more importantly consider the impact of any actions developing out of the report's recommendation
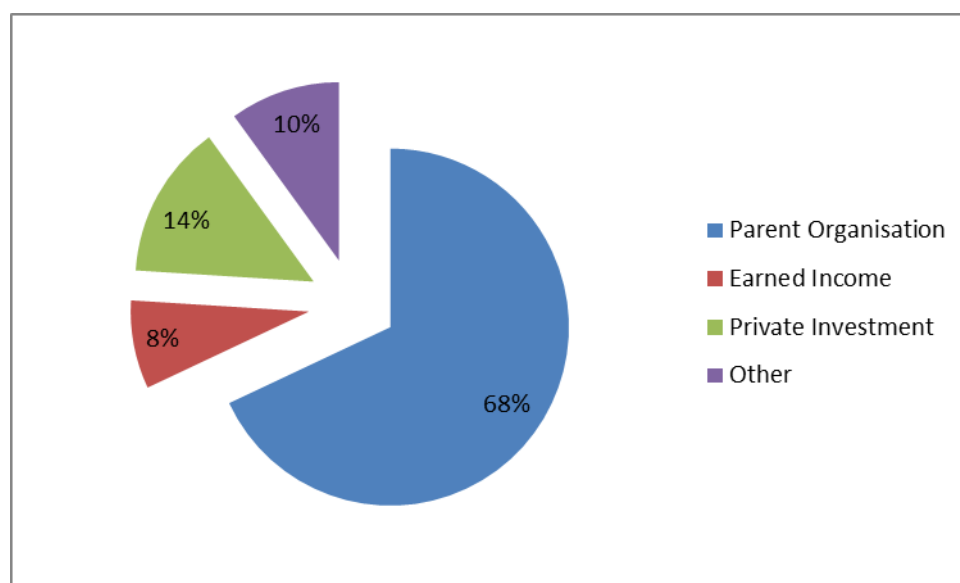
Fig. 38: Aspirational national income breakdown for the archive sector 2015/16

Fig. 38 promotes a significant shift in the make-up of funding for archive services at a national level, but is based on an assessment of the current funding situation and potential within the landscape. This model proposes that 8% of the total funding should be from earned income. This represents an increase of 3% of the total income from the current national picture, and 2% for 'archive-only' services. A significantly greater increase is proposed in private investment (funding from trusts/foundations, individuals and business) from the current 3% of total income to 14%. Whilst this increase would represent a substantial growth in this area from the current income breakdown for local authority services (Fig. 14), it is actually less than the percentage currently achieved by university archives (Fig. 15). With this in mind, and the potential in this area outlined in Section 5, there does seem to be significant potential in this area for future growth. Recognising the reduction in statutory funding sources (e.g. the loss of MLA), the model proposes that other funding from central government, non-departmental public bodies and other public funding sources (including the lottery), as well as recharging within organisations for archival or records management services should make up around 10% of total income. This leaves the remainder of funding as parent organisation contributions. At just under 70% this still represents a significant commitment for core funding from organisations.

It is hoped that individual archive services may wish to benchmark themselves against the national picture in Fig. 37 and the other relevant evidence in the report, and consider what it might take to move their own service to a position illustrated in Fig. 38, taking account of the specificity of their own circumstances. This diagnosis might be used to support the development of individual fundraising strategies.

6.2   What would success look like at service level?

There is, however, a risk in focusing solely on numbers, rather than the approaches that will support services to diversify their funding base. Therefore an additional model of seven indicators is outlined overleaf against which strategic agencies and individual services might measure success. At an organisational level, an archive service that is high-functioning when measured against the following indicators might have a very different income breakdown to the national picture proposed in Fig. 38 and still be considered successful. Just as a future study might assess the sector's success from a quantitative perspective against Fig 38, qualitative assessment of the success of individual services and sector-wide improvement could be evaluated against these indicators.

Seven success indicators for an archive service:

- Parent organisations understand the need to continue to invest in their archive service and external funding is not used to withdraw or reduce core funding but rather to grow capacity
- HoAS and other budget holders are confident in financial planning and have a clear understanding of the cost of all aspects of delivering their service
- HoAS are looking at all times to embed financial efficiency into service delivery, maximising the benefit of both core and external funding
- HoAS have sufficient resources to develop a strategic approach to fundraising and income generation and work with their parent organisation on approved approaches that enable the archive service to harness the full benefit of successful fundraising and income generation
- HoAS are able to work successfully with their parent organisation's development teams or draw on other internally available expertise, where applicable
- Services are able to access a range of funding sources but are doing so through a clear-sighted analysis of strategic fit and return on investment, rather than simply chasing a funding pot.
- Income generating activities are pursued with an understanding of value with regards to both profit generation and other purposes

6.3 Recommendations for The National Archives

The following recommendations draw on the research findings and the report conclusions to address the final research question 'what appropriate advice and training support can be delivered by The National Archives to improve access to additional funding resources?'

Outlined below are 10 high-level objectives for The National Archives and partners, grouped under four approaches.

1	**Leadership**
1.1	Develop stronger relationships at national and regional level with funders and stakeholders
1.2	Influence policy at national and local level to ensure sustainable funding for services
1.3	Support piloting of new approaches to funding and fundraising
2	**Collaboration**
2.1	Identify opportunities to bring together funders to enable greater strategic impact
2.2	Identify opportunities to bring together archive services to capitalise on funding initiatives
3	**Good Practice**
3.1	Provide mechanisms and opportunities for archive services to learn from each other
3.2	Ensure archive services have access to up-to-date and appropriate information on funding and fundraising
4	**Advice**
4.1	Ensure archive services have access to individual support where needed
4.2	Ensure funding support is part of all strategic discussions with archive services
4.3	Ensure archive services have access to appropriate training

It is hoped that, if The National Archives accepts the recommendations outlined above, a more detailed Action Plan, based on these recommendations and agreed with strategic partners will be created to direct development work up to 2015 and beyond.

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8   Appendices

Please see separate documents for report appendices