



THG Business Survival Strategy 2014/5 – 17/18

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Disclaimer

Our conclusions and recommendations are the results of our professional judgement and are, in part, based on information provided to us by a range of agencies and key individuals. Due diligence should be used by any third party when making use of any of the report's content.

1 Introduction/Executive Summary

This new business strategy has been devised to address significant changes to THG's economic circumstances and the necessity to find new ways of working to ensure that it maintains its position as one of Devon's important publicly funded galleries.

It is the intention of the gallery team and East Devon District Council that the gallery should not just survive the current cuts to Local Authority funding, but that the gallery should vigorously respond to the challenges that this presents and through the delivery of this business strategy, increase its resilience and the level of service it provides locally and regionally.

1.1 The Current Position

THG is currently in a very difficult financial position. EDDC gives it a significant amount of support, currently valued at around £110k p.a. However for a small non-charging gallery with no other major income generation opportunities, this level of investment has left the gallery relatively thinly staffed. The staff have to "run in order to stand still" and this has made it difficult for them to consistently focus on developing the gallery and its services as most of their time is taken up, just keeping the gallery open and delivering a small but high quality programme of education and community activities alongside the exhibitions. In order to be able to make the most of its potential the gallery needs to make increased investments in

1. **Developing an education team.** Not only would this help the gallery to further develop one of its key strengths, its education and community work, but it would have an immediate impact on the work of the current Curator/Manager in that it would free them up to concentrate on curating and sourcing exhibitions/artists for the gallery, supporting audience development and fundraising and developing relationships with artists and strategic partners.
2. **Marketing** – an analysis of the socio-economic profile of the catchment area for the gallery shows that there is considerable

potential to increase visitor numbers to over 12,000 by 2017/18. The biggest barrier to achieving this is the current lack of marketing resources to get the message out to potential users of the gallery. The current resources of 0.3 fte devoted to marketing and a very small marketing budget is insufficient to be able to make an impact on the potential market.

3. **Exhibition programme.** The current gallery Curator/Manager has done excellent work in enabling the gallery to "punch above its weight" in the quality and the diversity of its exhibition programme. This has been done with a minimal budget and if the gallery is to move up onto the next level and attract better known artists to show at the gallery then there needs to be a greater financial investment in producing exhibitions e.g. the cost of hosting a good quality touring show from one of the major national galleries would be twice last year's entire investment in the annual programme

Rather than being able to make further investments, the austerity measures which EDDC has to implement means that it is looking to make some significant reductions in its investment in the gallery. However reducing expenditure would simply result in THG being starved of the resources it requires to deliver a meaningful service. Further cuts to the overall budget will result in the gallery ceasing to be a viable organisation.

1.2 The Future

Our analysis of the situation is that with more investment THG could fulfil its undoubted potential to deliver a high quality value-for-money service for the district. The Local Authority is not in the position to make the required level of increased investment; in fact it wishes to reduce its investment. Also, being part of a Local Authority severely reduces the amount of external funding which could be accessed to support the work of THG. Very few major Trusts and Foundations will fund Local Authority activity and there are insufficient funds available from other public sector sources to provide the level of investment required.

In order to be able to attract the external funding it requires THG will need to be floated off into the charitable sector. There is also the possibility for LED Leisure to take over the management of the gallery, and there are advantages for this course of action in terms of scale, cash flow etc. However the management of the gallery needs a high degree of sector specific knowledge and future success will require a highly supportive and knowledgeable board of trustees acting as its ambassadors. Therefore, it is our recommendation that the Thelma Hulbert Gallery is “floated off” as a Charitable Incorporated Organisation which is part-funded by East Devon District Council. The gallery would then be in a position to apply for funds from a variety of sources including Trusts and Foundations as well as other public funding sources such as the Arts Council England and the Rural Development Programme for England.

N.B. Should the gallery prove for any reason not to be viable as a small independent charity then the possibility still exists for it to come under the wing of LED Leisure at a later stage.

1.3 Summary of the Strategy

1. The funding for the Gallery should stay as it is for the year 2014/15 to give staff the time to
 - set up the new governance procedures, recruit a board of trustees and register the gallery as an independent charity
 - put in place the first stage of fundraising – bids to the Arts Council England and Esmee Fairbairn and/or other Trusts to establish the education programme

N.B The fundraising strategy requires a significant amount of work to be put into the Esmee Fairbairn/other Trusts and ACE Grants for Arts Bid from March onwards to establish the education programme. The success of this part of the strategy is absolutely crucial to the future of the gallery as an independent gallery. Should THG fail to attract sufficient resources to fund a new education officer then this business strategy will not be viable.

It is also vitally important that the Charity is set up as soon as possible and a strong group of Trustees is recruited. Again this will require significant resources. Resources need to be prioritised within the staff team (with some external support) to ensure that the best possible bids are presented. This might require reducing the current workload of the staff team, allowing them to focus on these crucial tasks.

2. The three year plan set to start in 2015/16 will deliver the following
 - increase visitor numbers by more than 50% from 6,900 to over 12,000 by 2017/18
 - increase the number of school pupils and young people using the gallery annually to 3,500 from the current estimate of 1,000
 - deliver a community programme which will run at least four major projects a year with local communities and groups of vulnerable people
 - increase profits from the shop and art sales from £7,000 in 2013 to £18,000 by 2017/18 providing increased income and profile for the work of local artists and makers
 - increase its contributions to the development of Honiton as a retail destination
 - increase the cultural offer to the overall tourism offer of the district
3. Delivering these outputs will require a larger staff team and by 2015/16 the new funding package should support the employment of the following staff team
 - Curator/Manager (0.93)
 - Gallery and shop officer (1.0)
 - Marketing Officer (0.5)
 - Fundraising Officer (0.5)
 - Education Officer (1.0)
 - Trainee Education Worker (1.0)

The gallery will also provide annually, at least £18,000 of freelance work to local artists.

4. The financial position of the gallery will improve substantially whilst at the same time as the required investment from EDDC will significantly reduce.

- The turnover of the gallery will increase from £129,000 in 2012/13 to £193,000 in 2017/18 an increase of 50%.
- In 2012/13 EDDC invested £112k into the gallery which was 87% of the gallery’s income and achieved visitor numbers of 5,711 resulting in the cost to EDDC of each visitor being £19.66.
- By 2017/18 the required EDDC investment will be £51,161 which is 27% of the gallery’s overall projected income. The gallery will have 12,700 visitors resulting in the cost to EDDC of each visitor as being £4.03 (20% of the cost per visitor in 2012/13)

5. Budget Summary

INCOME	15/16	16/17	17/18
Earned Income	31,983	39,383	43,304
Public Sector Income	29,174	45,981	46,531
Private Sector Income	5,740	8,151	8,985
Trusts and Foundations	29,036	35,500	36,500
Total Income	95,933	129,015	135,320
Grant from EDDC	67,991	60,159	53,204
EDDC as% of expenditure	41%	32%	28%
EXPENDITURE			
Staff Costs	131,424	141,774	141,774
Core Overheads	7,450	7,700	7,700
Building	7,300	7,300	7,300
Exhibition Costs	5,000	6,500	9,000
Open Expenditure	-	4,150	-
Community project Costs	-	8,000	8,000
Education Costs	7,500	7,500	7,500
Marketing Costs	5,250	6,250	7,250
Total Expenditure	163,924	189,174	188,524

Budget is without inflation.

Building costs are based on the following

- EDDC grants THG an initial three year lease at a peppercorn rent
- EDDC retains responsibility for the fabric and exterior of the building and the grounds.
- EDDC grants THG discretionary relief on 20% of rates.

2 Brief history and background

The Thelma Hulbert Gallery (THG) in Honiton was opened in April 1998 as the first public exhibition space in East Devon. The gallery was situated entirely on the first floor of Elmfield House, a Grade 2 listed Georgian house. East Devon District Council (EDDC) acquired Elmfield House in 1995 following the death of the artist Thelma Hulbert, who had lived and worked there since 1984.

The Gallery shows a permanent display of paintings by the late Thelma Hulbert together with an annual programme of six exhibitions of significant regional and national importance. Alongside the exhibitions the gallery has developed a strong learning and community programme.

In June 2008, following a successful grant application to Arts Council England South West, a feasibility study and business case was commissioned by EDDC to look at the potential for expansion of the Gallery to encompass the ground floor of Elmfield House. This led to a joint investment by Arts Council England and EDDC for extensive works to the ground floor and basement allowing the gallery to expand to take over the whole of Elmfield House. This expansion has provided the gallery with improved and expanded exhibition spaces, a shop & refreshment area, a dedicated learning room and essential storage. The expanded and rebranded THG was re-launched in May 2010.

In June 2013 further improvements were made to the building by transforming the downstairs office into an additional retail area.

In June 2013 a successful application was made to Arts Council England for funds to commission consultants to help strengthen the business model and increase the audience base. This business strategy is the result of the work with the Perfect Moment consultancy.

3 Aims, Objectives and Values

3.1 Mission Statement:

The Thelma Hulbert Gallery is an ambitious organisation which supports and promotes modern and contemporary art and craft. We develop audiences through engagement with a wide range of communities in East Devon and beyond. We aim to be welcoming, accessible, engaging and inspiring to all our visitors.

Vision:

That by 2018, the Thelma Hulbert Gallery will be nationally recognised as one of the key independent contemporary art galleries in the South West. It's innovative programme of exhibitions and ground breaking work with young people, communities and volunteers alike will bring it media attention, awards and visitors from afar

3.2 Aims

- Develop and nurture an audience for innovative and high quality contemporary art and craft
- Deliver thought-provoking and effective art-based learning to diverse groups (both in and outside the gallery) and particularly to those groups whose access to quality arts provision is limited
- Support and promote contemporary art and craft by artists in the South West
- Maximise our entrepreneurial skills and fundraising capacity to achieve and maintain a sound financial base for the organisation
- Build the organisational capacity and levels of expertise required to support growth and ensure the highest quality delivery in all areas of our work
- Raise our profile and reputation within the sector and with the general public in partnership with our Theatre and Countryside Events Team.

3.3 Objectives

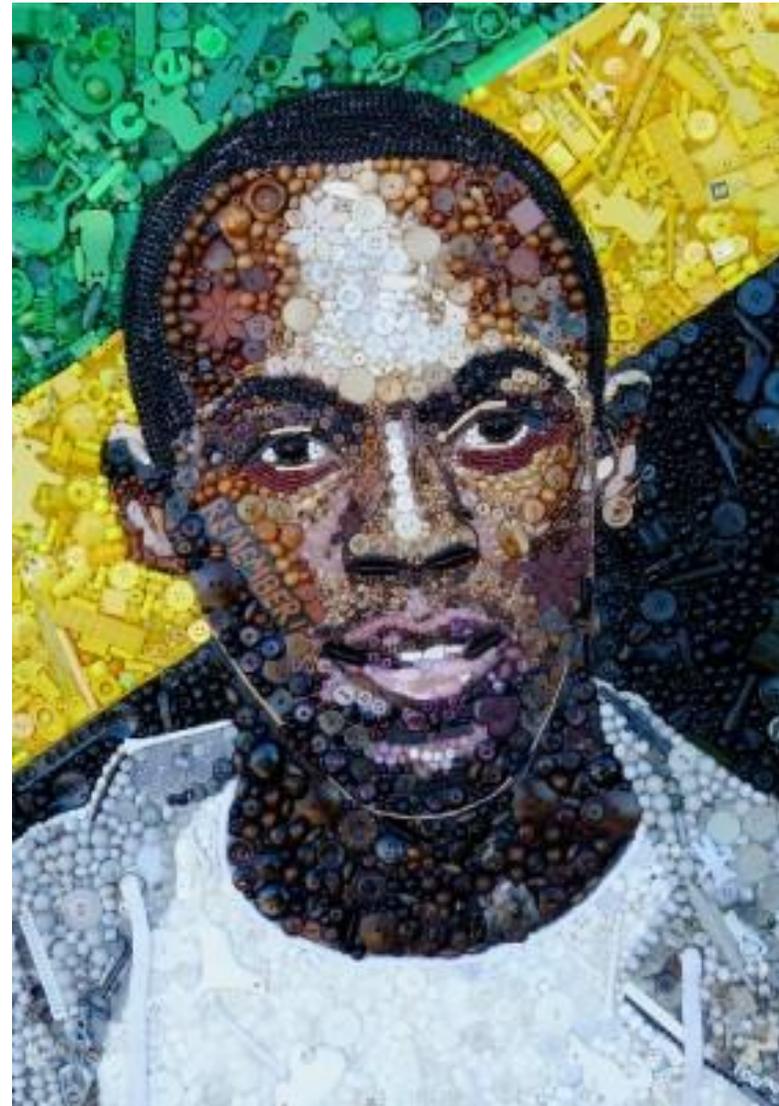
1. To programme five significant exhibitions a year attracting an audience of 12,000 by 2018
2. To deliver an annual education programme to at least 3,250 schoolchildren with the involvement of a minimum of 25 primary and

10 secondary schools including at least three significant teacher CPD opportunities per year.

3. To develop and deliver a programme of at least 4 significant community projects each year.
4. To annually promote the work of at least 10 southwest based artists through exhibitions and shop sales.
5. To establish the gallery as an independent charity by 2015 with strong governance in place to guide the organisation.
6. To increase financial sustainability by achieving by 2017/18 the following annual income figures
 - earned income 43,304
 - public sector sources other than EDDC 46,531
 - private sector funds 8,985
 - Trusts and Foundations 36,500
 -
7. To reduce the cash income required from EDDC to £52,204

3.4 Values:

Open/caring	a welcome home for visitors, new artists, new artwork and cultural partnerships
Contemporary	showcasing creative innovation in the visual arts and crafts
Engaging/listening	involving a range of audiences in enjoyable dynamic, and relevant ways
Inspiring	the experience should inspire all who visit or take part
Quality	promoting excellence in the practice and understanding of contemporary arts



4 SWOT Analysis

<p>Strengths</p> <ul style="list-style-type: none"> • Professionalism, dedication and loyalty of staff • Curator's knowledge and expertise • Experienced, well-educated, multi-disciplined graduate staff • Connections with UK's most highly regarded galleries/art colleges/artists • Reputation for excellence with peers e.g. Arts Council England • Support of a small loyal local audience • Support of artists from across the South West • Education programme • Partnership working • History of positive community integration • Awards and recognition • Huge amount of positive PR for East Devon DC • Welcoming and not intimidating • Accessible to all • No direct competition in the immediate surrounding area /unique offer • Investment and support from EDDC • Good number of Friends and volunteers. 	<p>Weaknesses</p> <ul style="list-style-type: none"> • Understaffed - staff spread too thinly • Curator lacks time to properly manage staff and volunteers • Lack of data on visitor profile limits effectiveness of marketing • Mismatch between operational need of local authority and the needs of a contemporary art gallery • Large below the line EDDC charges • Lack of national press coverage • Shop – 'pile 'em high & sell 'em cheap' souvenirs vs. quality crafts • Lack of decent food and drink offer • Position of shop in relation to entrance • Position of gallery in relation to town and poor signage from town centre • Limited exhibition and marketing budgets • Limited website • Lack of strategy • Low public awareness of THG • Current position re EDDC makes much fundraising impossible • Limited number of potential corporate sponsors • Lack of arts/gallery knowledge within EDDC beyond Curator/Manager
<p>Opportunities</p> <ul style="list-style-type: none"> • Can build on excellent reputation within the Arts Industry • Expand partnership working • Increase of visitors with Honiton Community Centre / Cranbrook • Work with local 'festivals' • Build and expand education offer • Become independent charity • Better marketing will impact on audience development • Big named exhibitions will attract new audiences • Links with local celebrities to raise profile (Hugh FW, Rick Stein, Kirsty Allsop) • Potential for small scale sponsorship • Heritage offer e.g. Thelma Hulbert & Euston Road School • Increase number of 'Friends' • Work with Town Council / key partners to sell Honiton as a cultural destination • London-Cornwall (high quality antiques, modern art and dining) • Increased staffing will raise capacity • Good reputation will support fundraising 	<p>Threats</p> <ul style="list-style-type: none"> • Demoralised staff • Lack of EDDC funding and/or unrealistic council targets and expectations • Cost of touring exhibitions • Competition for external funding • Cost of investing in realistic audience development • Lack of support from TIC / Honiton Town Council • High competitive fundraising market

4.1 How to build on strengths

- Increased staff team will support everybody to be able to fulfil their role better
- Continue to build strong relationships with Arts Council and get their backing for new business strategy
- Build on existing connections with national galleries and quality artists to further improve quality of exhibitions
- Use reputation for excellence to secure substantial funding to support development of education and community activity
- Secure three year funding commitment from EDDC

4.2 How to address weaknesses

- Increase staff team with education worker and increased marketing/fundraising post – freeing up curator to focus on programming and management of staff and volunteers
- Become independent charity
- Improve financial position so we can properly resource the putting on of, and marketing of, exhibitions
- Focus more resources on marketing and PR
- Develop relationship with local café to improve catering offer
- Consider changes to layout to improve visibility and access to shop
- Carefully monitor sales and customer feedback in shop to inform improvements to sales
- Increase signage and visibility from Town centre and car park

4.3 How to make the most of opportunities

- Use charitable status to secure funding to support exhibitions, marketing and education and community programme
- Develop and implement clear partnership strategy with EDDC, Honiton Town Council and other businesses re cultural tourism
- Use education and community work as key part of THG brand
- Use reputation to build partnership with key arts organisations and artist to enable THG to “punch above its weight”
- Target key audiences in Cranbrook development
- Develop clear strategy for enhancing key local festivals and events
- Build strong local relationship with local businesses and celebrities – to put THG at heart of cultural life – and thereby increase financial support

4.4 How to overcome threats

- Increase staff team – reduce stress and increase achievements
- Become independent charity and offer EDDC more for less.
- Cultivate key relationships with Honiton Town Council
- Look at developing touring circuit to reduce cost of high quality exhibitions
- Put resources into fundraising to make it as competitive as possible
- Raise funds for marketing and use low cost/high impact strategies where possible

5 Key Strategies and Activities

5.1 Exhibition Programme

There are two main exhibition spaces.

- The main exhibition space which currently shows 6 temporary exhibitions a year of contemporary art and craft.
- the 'Thelma Hulbert Room' – shows a display of paintings by the artist and a 'Selling Showcase' exhibition of contemporary craft by a South West maker/s.

The purpose of the exhibition programme is to

1. Provide opportunities for the best professional and emerging artists in the South West to show their work in the region
2. Provide opportunities for the gallery's audiences to experience high quality contemporary art from outside the region

The strategy for the exhibition programme is to increase the investment in the exhibitions and cut back the number of exhibitions to five a year. This will enable the curator to increase the overall quality and profile of each exhibition thereby attract overall a larger audience and new sponsorship/investment.

The proposed programme for the next three years is anchored around three key exhibitions repeated each year with the two other exhibitions being solo or themed shows curated by the gallery Curator/Manager.

5.1.1 Animation Exhibition

The first exhibition of the year is an established collaboration with the Animated Exeter festival. THG receives a small fee for curating the exhibition which varies according to the amount of funds raised by the festival organiser. This element of the programme is increasingly popular with family groups and has attracted significant number of visitors to family workshops. Given the appeal of the subject matter to a younger audience there is significant potential to increase the numbers of young people visiting and taking part in workshops.

5.1.2 THG Open/Evolver

The THG Open and The Evolver Prize alternate each year. The Open is growing slowly but suffers from a lack of investment in prize money, advertising and expenses/fees for jury members. A stronger Open which attracted artists with good professional reputations could achieve much for the Thelma Hulbert Gallery. The strategy for developing the Open is to

- Increase the prize money and have three prizes all of which would be sponsored.
 - the Overall Open Winner - £750
 - the best emerging artist in the South West - £250 The winner would also get a solo show in the following years programme. It may be possible to offer this prize in partnership with another gallery thereby offering two solo shows in different parts of the region.
 - The audience prize - £150 – a prize for the exhibit voted the best by visitors to the exhibition.
- Increase investment in advertising to heighten profile of Open and the gallery
- Increase the profile of jury members to attract more and better entrants
- Increase the numbers of entrants to 125 minimum and increase entrance fee to £20.
- A higher profile jury would attract a higher quality of applicant to take part in the Open and would allow for higher fees to be charged.

The outcomes of an improved Open would be

- Higher quality exhibitors
- Higher profile of gallery within "artworld"
- Deliver benefits to young emerging artists in South West
- Increase audience numbers
- Increase income from sales of exhibited work
- A high profile prize night which would raise the profile of the gallery in the region.

5.1.3 Evolver

THG hosts the Evolver prize where Wessex based artists, photographers and graphic designers compete annually for the prize of £500 and to have their work published on the front cover of the July / August edition of Evolver, the Wessex arts and culture guide.

This competition is easy to manage for THG as Evolver do most of the administration of the exhibition and publicity, and THG and Evolver share the 40% commission on the sales. THG is hoping to negotiate a higher percentage of the sales for future exhibitions

It is a popular exhibition in 2013 there were 190 entries by artists, and 50 are selected. – all of whose work is placed on sale. The works ranged in price from £50 - £450. In 2011 THG sold 14 of the artworks

This is a very popular exhibition with 1267 visitors to this year's show (making it the 3rd best visited exhibition ever at THG, only 33 away from 1st place)

THG always put on a related community Evolver event in the project space, attracting a different visitor. THG offers design/print workshops where you can make your own magazine covers or similar.

5.1.4 Present Makers

The final exhibition of the year is the Present Makers exhibition of items for Xmas Sale. This exhibition is becoming increasingly popular with sales in excess of £5,000 for the last two years. This year the exhibition attracted sponsorship from the auctioneers Bearnese, Hampton & Littlewood.

The ambition is to continue to improve the quality of the work produced specifically for the Xmas gift market and to increase the impact of the advertising. We will focus advertising for this show needs to be focused in the "lifestyle" media and firmly establish Present Makers as a place to buy high quality good value unique gifts. THG needs to investigate the possibility of further enhancing this shows profile by promoting, in partnership, a Christmas Food market or similar in the adjacent car park on a Saturday/s in December.

5.1.5 Temporary Exhibitions

This leaves two exhibitions a year to be programmed by the curator where the aim is to create active partnerships with artists resulting in an innovative and high quality programme rather than simply acting as a receiving house for artist's submissions

Whilst the primary focus is on work which is produced by artists based in the South West it is the ambition to produce at least once every two years a touring exhibition with international appeal from the likes of South Bank/Hayward Gallery or Crafts Council.

One exhibition every two years will be a solo show for the winner of the Best Emerging Young Artist from the Open.

5.1.6 Exhibitions Budget

The ambition to increase the quality and the ability of these shows to attract higher numbers of visitors is reflected in the ambition to increase the Exhibitions budget from £3,500 to £9,000 by 2017/18. This will in part rely on securing exhibitions sponsorship of £500 for all shows by then and raising £3,500 from Trusts and Foundations (and other sources) to support a high quality innovative programme.

5.1.7 Community Project Exhibitions

There is space on the landing area and learning room and at times in the upstairs Project Space for work produced by education and community projects such as

- Projects undertaken by 'Masterpieces' the gallery youth group
- Work by community groups in East Devon where there has been collaboration with the gallery
- Specially commissioned projects by young people undertaking arts education in the local area

THG should also investigate the possibility of exhibiting suitable community and education work in the new Beehive community centre when it is open.

5.2 Education Programme

Education work is one of the key strengths of the gallery, which has been recognised by the Curator/Manager winning a Marsh Award for Excellence in Gallery Education in 2012 - a national award which recognises those working in Gallery Education who have shown dedication or innovation in their work.

Currently the programme is delivered mainly by the gallery Curator/Manager with a small amount of support from freelancers and some partnership work with Double Elephant Print from Exeter. Whilst this arrangement makes the most of the current curator/manger's expertise and enthusiasm it does deflect her from being able to focus on strategic developments at the gallery. It also puts a cap on the amount of education and community work which can be delivered.

The education programme needs much more investment if the gallery is going to enable more young people and more community groups to benefit from the opportunities it can offer.

THG needs to develop an education team who can deliver a much wider programme of work with schools, young people and families throughout the district and surrounding area. A brief analysis of the potential market for the high quality work which THG has managed to deliver with scant resources has identified the following optimum programme which the gallery could deliver over the next three years.

5.2.1 Schools

We suggest that there are two offers made to schools focusing on the Exhibition programme

One-Off Visits

These would consist of a half day visit with preparation and follow up material provided on-line. The numbers below represent possible levels of demand based on appeal of exhibition and time of year.

Annual Programme of One Off Visits	Primary schools	Secondary Schools
Present Makers	5	0
Animation	10	6
March to June show	5	3
July to Sept	3	1
Sept to October	5	3
Total	28	13
Fee per session	*£2.50 per head	£2.50 per head
Total fees	840	650
Attendances per session	**12	20
Total attendances	336	260

* Cost per head is probably the fairest way to charge for the work and takes into account the limited resources which small schools have. A lower limit of £25 for a session could be set.

** Relatively low average numbers of attendances per session indicated here take into account the number of small primary schools who could bring quite low numbers to a session.

Extended Projects

These would be based around the following offer connected to an exhibition

- a joint preparatory visit for teachers
- a planning session with each individual school involved + preparatory materials prepared on-line
- three follow up practical sessions at the school led by education staff from the gallery

Tailor Made Projects

THG needs to be aware of the differing needs of schools and colleges and be able to offer flexible packages to meet individual needs where required and where the right financial package can be negotiated.

Annual Programme of Projects	Primary Schools	Secondary Schools
Present Makers	3	
Animation	6	2
March to June show	3	2
July to Sept	2	0
Sept to October	3	2
Totals	17	6
Attendances per session	20	20
Total attendances based on four sessions per project	1,360	480
Fee per project	200	200
Total fees	3,400	1,200

Fees for schools activities in this business strategy are relatively low and having built a strong brand for the work over three years there will be some room to increase fees. However this area of work will always need a significant amount of subsidy.

5.2.2 Family Workshops

Parent and toddler sessions

These could be run fortnightly during term time with a limit of 12 people attending a two hour session

Parent and Toddler Sessions (2 hour)	
Number of sessions per year	18
fee per person per session	2.5
Average attendance	7
Total fees	315
Total Attendances	126

Family Drop-In Workshops

Family workshop days have been very popular and we recommend that one drop-in Family Workshop day is provided for each exhibition

Family Workshops	
One workshop per exhibition	5
Fees per family	5
Number of families attending	20
Total fees	500
Average members per family	3
Total attendances	300

5.2.3 Young People Activities

Holiday Clubs

There is much need for the provision of creative activities for young people aged 8-12 during the holiday period. In other visual arts organisations these have proved to be very popular. These sessions are aimed at the children of working families who are willing (and able) to pay significant fees to have their children involved in purposeful activity whilst they are at work. The summer sessions would be a pre-booked week of all day activity. (Further funding could be sought to provide greater subsidy for working families in hardship)

Easter workshops could be three individual days which could be pre-booked – Easter would partly run as a taster to get people involved in the longer summer projects.

If there is strong demand for these holiday workshops then fees could be increased to £20/£25 per day which would mean that they would be virtually self-sustaining.

Summer School – one week programme	
Number of days	5
fees per person	75
Number of attendees	12
Total fees	900
Total attendances	60

Easter 3 individual days of activity	
Fees per day	15
Number of attendees per session	12
Total fees	540
Total attendances	36

Term Time Activity

Masterpieces

The THG Youth Group Masterpieces is already well established and fully subscribed. It meets fortnightly and will continue to undertake activities with the education team and curator and guest artists. Occasional visits will also be arranged to other galleries. A contribution of £2.50 per session will need to be introduced

Masterpieces 12-16 – early evening session fortnightly	15
Fees per session	2.5
Number of attendees per session	12
Total fees	450
Total attendances	180

Saturday Club

We believe that there is also a demand for a club for younger people to be run on a Saturday morning, adding to the range of structured, supervised activities which are available to young people. This would be run weekly during term time.

Saturday club 8-11 – run weekly during term time- half day session	36
Fees per session	2.5
Number of attendees per session	12
Total fees	1,080
Total attendances	432

5.2.4 Education Budget

We have used an analysis of the inputs required to deliver this programme¹ to construct the following budget which can be used as the basis of a bid to the Arts Council and to the Esmee Fairbairn Trust. Bids need to go into the Arts Council's Grants for Arts fund and the Esmee Fairbairn Trust and other potential funders to fund a substantial programme of work along the following for the next three years.

YEARLY COST	
Curator/Manager 1 day a week delivery and management	6,473
Lead Education worker £22,000 + NIC + 6% pension	25,294
Trainee education worker £10,000 + NIC + 6% pension	13,870
Freelance days 30 at £180 per day	5,400
Marketing	1,500
Workshop materials	6,000
Contribution to management and office costs @ 6%	3,512
Total costs	62,049
Yearly Income	
Fees	9,875
ACE	24,174
Esmee F etc	23,000
NHS/LA/Other contracts	5,000
Other Trusts/local fundraising etc	0
Total	62,049

¹ See THG Detailed Budget Document.

5.3 Community Programme

The community programme is the outreach programme directed at specific community groups, defined either by geography or by interest. THG has delivered successful projects in this area of work.

Building on this success is an important part of THG developing a wider remit as the primary visual arts resource for the area and developing a profile for working outside of the gallery. Given the need to focus on getting the Education programme up and running we would suggest that the gallery delivers a one small programme in this area building on and adding value to the work on one of the areas they are currently developing through the current Grant for Arts Programme. THG are currently developing work with Honiton Memory Cafe EDDC tenants, and St Pauls Homework Club Honiton

During 2014/15 the team need to develop a three year programme of community based activity which is appropriate for funding by Blackdown Hills and East Devon Local Action Group forthcoming "Community programme" which should receive funding from the Rural Development programme in 2015. A carefully constructed programme of 4 projects per year, across the district and surrounding area which meet the criteria for supporting local communities should attract a reasonable degree of funding. We suggest that elements of this programme should be focused on using the visual arts for supporting local festivals and events. This will have the benefit of

- increasing THG profile throughout the district
- Taking valuable partnership working into new areas
- demonstrating the value of the visual arts to local communities
- open up new areas of funding support

Year 2015-16	
Expenditure	
Curator/Manager(10.4 days) = 0.05 of salary costs	1,295
Freelance artists 15 days at £180 per day	2,700
Education trainee 15 days @ £75 per day	1,125
Materials and hires	2,000
Contribution to core costs and management @ 5%	356
Total	7,476
Income	
Fees from host organisation	1,440
Trusts and Foundations	6,036
Total	7,476
Years 2016/7 and 2017/18	
Programme of Community Based Work	
Curator/Manager 0.5 days a week = 0.125 of salary costs	3,236
Administrator 20 days @ £125	2,500
Freelance artists per project x 15 days each @£180	10,800
Education trainee 15 days at £75	1,125
Trainee artists for 3 projects x 15 days at £50per day	2,250
Materials and expenses per project 4 x £2000	8,000
Contribution to core costs @ 5%	1,396
Total	29,307
Income	
Fees from host organisation 4 x 750	3,000
Trusts and Foundations etc 4 x £2500	10,000
Rural Development Programme	16,307
Total	29,307

6 Marketing

6.1 Overview

THG has lacked expertise and investment in marketing in the past, relying primarily on print production and distribution to reach audiences. THG has started to address this: recruiting a marketing expert has already begun to have an impact - broadening THG's customer base to attract more visitors. Clearly THG needs to look far beyond its home town of Honiton for its audience and spending too much time targeting local press is likely to be counterproductive. The marketing budget for THG is very modest so to maximise ROI (return on investment) it makes sense to target the groups most likely to attend/engage and to focus on low and no cost methods where possible.

Two areas with significant potential for THG to increase its customer base are:

- A. Digital marketing which is currently an under developed area
- B. Destination marketing where THG is part of a 'cultural package' alongside other local cultural offers.

6.1.1 Measuring success

THG needs to measure ROI (return on investment) on all marketing spend to establish what works and what doesn't – this means asking customers how they heard about THG/the exhibition they're attending. A culture of actively engaging with visitors and talking to them about their visit will be vital to this and volunteers will need to be trained to do this.

6.1.2 Resourcing of marketing function

Currently THG has a 1.5 day a week marketing role. This is unlikely to offer sufficient time if THG is to exploit all the opportunities identified in this paper. Whilst some of the data capture work can and should be undertaken by volunteers, we recommend that in 2015/16 THG extends the time devoted to marketing to 0.5 of a post (to include securing sponsorship)

6.1.3 What's in a name: a note on the brand

Is the name of the gallery working for it? The visual identity of THG is strong and contemporary but the name has connotations which might be unhelpful. Migrating gradually across to using THG as the brand name, whilst maintaining

the current name as the legal entity is a relatively low cost way of changing to a more contemporary image. The other alternative is to invest in a complete re-launch of the name with the launch of the charity – including new signage, stationary etc. This is relatively expensive and not within the current projected budget figures.

6.1.4 Marketing Aims

- To 'put THG on the map': to position and promote THG as a defined brand to target audiences.
- To 'know' THG's customers and engage with them effectively

6.1.5 Marketing Objectives

- To increase the number of visitors to THG – reaching 12,000 by 2017
- To increase spend per visitor from £2.52 to £3.29
- To establish THG in the digital (online) world
- To promote THG and its offer to potential target markets as identified

6.1.6 Target Markets

- Local people with an interest in art/galleries: A realistic potential local audience of 166,425 exists for THG, based on a 45 minute drive time (source The Audience Agency). Persuading 7% of these potential customers to make an annual visit would hit the target of 12,000 visitors in 2017/18
- Tourists to East Devon with an interest in arts/galleries: visitors make 650,000 'trips' whilst in the area (Source Devon County Council)
- Schools and groups: key target markets for THG's education programme
- Artists /creatives
- Potential partners and funders

See Appendix 'Size of potential target market for THG' for more detailed information on target markets including Arts Council Insights audience segments and how to engage with them. Digital marketing is an effective route to all the target markets.

6.2 Marketing activity and resourcing

6.2.1 Key Tools

Given the modest marketing resources that are proposed in this strategy, it is important to focus on low and no cost solutions which are likely to have high impact. Therefore it is recommended THG focus on:

- **Digital** – including web / social media / e-marketing / online advertising – *this should be the main focus of marketing activity for THG*
- **Print** – this should be kept to a minimum
- **Press and PR** – highly targeted not scattergun
- **Partnerships/Word of Mouth** – using networks to good effect
- **Promotional events and activity** – e.g. arts fairs in car park

A range of key performance indicators (**KPIs**) should be put in place to measure the success of marketing activity. These would be annual measures, reported on quarterly to track progress and include:

- Data captured on e.g. 25% of visitors
- Visitor numbers increase by e.g. .20%
- Facebook likes increase by 25%
- Twitter followers increase by e.g. 25%
- Website visits increase by e.g. 25%
- E-marketing list increases by e.g. .25%
- Reviews on Tripadvisor increase by 50 and average 4 stars
- Media coverage in x arts publications, x lifestyle publications, x blogs

6.2.2 Marketing action plan

This plan assumes that some existing marketing activity will continue as before –i.e the production of a bi-annual A5 exhibition leaflet and associated distribution, sending monthly e-bulletins and exhibition launch invitations, maintaining dialogue with local schools and groups, maintaining a presence on social media and updating/improving THG’s website. It also presumes that the improved signage/wayfinding to THG will be implemented.

6.2.3 Year 1 action plan

Knowing the audience

More work needs to be done to understand the key target markets and their potential motivations to visit/use the gallery and its resources. Before THG thinks about increasing the numbers of “hard to reach” groups to visit the gallery it needs to make sure that it is getting in as high a proportion as possible of those who are most likely to come.

As THG currently has little information about its customers, it is recommended that a rolling programme of capturing customer data and feedback is introduced. This includes:

- Capture data on current attendees: volunteers to ask visitors to answer 4 questions: **email address/postcode/how heard about THG/whether first time attendee**. Design data capture cards. Where people have opted in, use emarketing to market to current audiences
- Conduct a visitor questionnaire / set up a customer panel through the friends scheme – find out more in depth about their motivations etc
NB use an online surveymonkey version as well as in person.

NB Customer data is not currently held in one central database. Rationalise databases (postal and email) where possible. Consider using a low cost cloud based CRM (customer relationship management) system eg Highrise <https://highrisehq.com/> so that all contacts can be centrally stored alongside Mailchimp emarketing system.

Digital

- Trial PPC (pay per click) advertising on Google adwords and Facebook during one quarter. Set modest budget (e.g £200) and measure success through Google analytics.
- Main website www.thelmahulbert.com: refresh website and in particular look at Search Engine Optimisation – conduct audit of current website and work with specialist to develop action plan to improve. eg google art gallery Devon – no sign of THG
- Data capture for emarketing - Move as many people as possible onto email communications rather than postal

- Tripadvisor – currently only 1 review
http://www.tripadvisor.co.uk/Attraction_Review-g315954-d4380032-Reviews-Thelma_Hulbert_Gallery-Honiton_Devon_England.html. Encourage visitors to review THG on Tripadvisor eg through take away cards and flag it up in e-marketing .
- Consider a presence on Pinterest. A really visual ‘virtual pinboard’ site and community - a great way for THG to profile exhibitions online.

Press/PR:

- Regional - Focus on lifestyle publications (eg Devon Life) Arts publications (eg Evolver), arts and lifestyle blogs. Consider a ‘readers discount voucher’ for use in the shop as a way of measuring results.
- Local – target Parish newsletters within 45 minute drive time with an editorial ‘introducing’ THG. Include a ‘readers discount voucher’ for use in the shop.
- National media can be targeted if sufficient stories/angles can be identified – these are likely to be related to the programming.

Partnerships/Word of Mouth – using networks to good effect

- Advocacy – collate a range of comments from audiences, artists, friends, sponsors etc which can be used in promotional materials – print and online. Where known, ask the contributors to post their comments on Tripadvisor.
- Make contact with local relevant groups and host a visit / gallery tour – such as W.I, U3A, Probus etc.

Promotional events and activity –

- Explore potential for a ‘shop window’ on the main street in Honiton. Sometimes Landlords will let you use window space free. Could profile the gallery and shop merchandise and direct people to THG

6.2.4 Years 2 and 3 action plan

Continue with actions developed or trialled in year 1 which prove successful in attracting increased visitor numbers and increased visitor spend (do not continue with any actions that don’t). In addition focus on:

Digital

- Once set up as a charity, access Google grants – register with Google to access free online advertising (only registered charities are eligible for this) <http://www.google.co.uk/grants/>

Press and PR

- Develop a joined up ‘destination marketing’ pitch to national media with antiques shops and other cultural partners in East Devon

Partnerships/Word of Mouth – using networks to good effect

- East Devon Culture forum / Arts development officer – keep involved in developments in this area to be part of joined up cultural package
- Trial Sunday opening for one quarter and measure resulting visitor numbers (NB ensure a good lead time eg 3 months warning)
- Destination marketing: package THG to tourists and visitors with Honiton Antiques shops as an art and antiques afternoon.
<http://www.visithoniton.com/antiques.html> (links to a leaflet pdf which markets Honiton’s antiques – need to join up with this)
- To attract tourists target TICS
http://www.eastdevon.gov.uk/tourism_index and accommodation and leisure providers. Invite owners to private views etc, ensure print displayed in holidays lets and hotels, ensure TICS and other tourism websites and publications are sent details of THG and its programmes. Send them high quality images to use for the exhibitions. Treat them like a ‘press list’ - engage with them often and send them details of exhibitions and activity.

6.3 Marketing Budget

Marketing Costs	15/16	16/17	17/18
Design	1,000	1,000	1,000
Print	1,500	1,500	1,500
Online and advertising	1,000	2,000	3,000
Events	1,000	1,000	1,000
Postage	750	750	750
Sub Total Marketing	5,250	6,250	7,250

7 Fundraising

7.1 Key Principles

The fundraising challenge for THG focuses around their current legal status, and their fundraising capacity. Key to the capacity issue is securing funding for the post of the Education Officer, whose

- remit would include some fundraising duties,
- appointment would free up the Curator/Manager to support fundraising and focus on strategic development
- appointment will only be possible with a large grant

The key prospect currently is The Esmee Fairbairn Foundation (EFF) who are one of the few trusts who will both support salaries and a non-charitable organisation. A bid to Esmee Fairbairn should be supported by a simultaneous bid to the Arts Council England's Grants for Arts programme

The work related to becoming a charity and securing funding for the Education post should begin immediately and thus there is a very heavy focus on Year Zero of the plan (i.e. March 14 – March 15) which will be about making THG "fundraising ready".

Gaining charitable status is a relatively simple business and in theory can take as little as 6 weeks but it would be prudent to allow several months. It would be sensible to seek the advice of a charity lawyer concerning constitution etc. The charity should be set up as soon as possible with the view of taking over the running of the building etc in April 2015. Funding applications to Trust and Foundations should be prepared to be put in as soon as the charity is registered. (see Appendix Timescale for Delivery)

Fundraising is not done in isolation; the education and artistic strategies have to be, alongside artistic excellence, predicated on funder / income appeal. Careful research into lack of provision locally, and the interests of funders / partners / competitors should inform all THG planning, THG funding applications and be visible in the latter. Hence the suggested inclusion of the words "particularly those groups whose access to quality arts education is limited" within the

"Aims" - ie to remind the organisation that it must look to fill gaps in provision / offer what no-one else can if it is to bring in new funds.

7.2 Staffing

Once the gallery is set up as an independent charity we suggest that from 2015/16 the gallery employs a fundraiser on 0.4fte and that 10% of the Curator/Manager's time, and 10% of the new Education Worker and 10% Gallery & Shop Officer time are also focused on fundraising, giving an overall investment of £18,692k of staff time per year over 3 years to raise £234,450 requiring a return of £4.18 for every £1 invested. Given that the vast majority of these funds are to be raised from Trusts and Foundations and public sources, is a very reasonable return when benchmarked against national fundraising data.²

Resourcing the fundraising in the crucial fundraising year of 2014/15 needs to be addressed. The whole business plan is predicated around a successful fundraising campaign to raise funds for a substantial education programme. The fundraising strategy requires a significant amount of work to be put into the Esmee Fairbairn/other Trusts and an ACE Grants for Arts bids from March 2014 onwards to establish the education programme. The success of this part of the strategy is absolutely crucial to the future of the gallery. Resources need to be identified and prioritised within the staff team (perhaps with some external support) to ensure that the best possible bids are presented. We suggest that at least 30 to 35 days of staff time is devoted to these bids between March 2014 and September 2014.

7.3 Trusts and Foundations

There is already a great deal of detail about the education, community and exhibition programmes activities which require funding. Crucial to high quality applications, will be detail on outcomes, evidence of need in the locality for the projects, and of established relationships/track records with partners.

² See <http://www.cifc.co.uk/Fundratios10.html>

An initial application should be made to EFF for funds for elements of the education, programme and include not only staff but also generous full cost recovery. An EFF application has a very simple first stage but stage two can be lengthy and the whole process takes up to 9 months. And even though the first stage only needs an outline it is advisable to have all the information ready at this stage although you will not be asked for it until stage two.

Simultaneous to the Esmee Fairbairn application an application to ACE Grants for Arts should be submitted for the education programme. Discussions should take place with the relevant ACE officer and a case officer at the Esmee Fairbairn Trust to establish which elements of the education programme are most relevant to each funder. It would be also sensible to approach any other trusts that may consider your application whilst you are in the process of becoming a charity and The Paul Hamlyn Foundation is one such organisation. However the few trusts that will consider applications from non-charities will be exhausted relatively quickly so it is important to set the charity up as soon as possible.

Schools activities will be of more interest to trusts if it is evidenced that there is low provision of specialist art teachers in the locality, which should be fairly straight forward with primary schools. With secondary schools the case will need to be made strongly for adding extra value to the work of the art departments. Any applications to fund The Saturday Clubs and Masterpieces programme will benefit from evidence of those living in poverty in the region and any evidence of low attainment/confidence in academic subjects in target groups would be useful. The Community programme, if it continues to work with MIND, with the elderly and other disadvantaged groups will also be of strong interest to Trusts and Foundations.

In Year Zero (2014/15) the Case for Support will be finalised but it needs to be constantly revised and updated. This document alongside the creation of a range of template applications relevant to the different elements of the programme will form the core of your fundraising activity with Trusts and Foundations

Between 2015/6 and 2017/18 a range of trusts can be approached³. Income required from this source is very modest at £12,500 in 2015/16 and £13,500 in 2016/17. In 2017/18 it rises steeply to £45,000 to secure funds to replace the funding for the education programme. By this time, THG should have developed a good enough track record to be able to attract this level of funding from a range of other Trusts and Foundations to continue the work. During the first phase of the education and community programme you need to make sure that you gather evidence of the value of the work and record elements of the work to support future applications.

As soon as charitable status is secure it will be necessary to start to apply for project based funding to support the education and community programmes. All such funding applications should include full cost recovery. Note too, with regard to education projects, the importance of being very secure in your charging policies - some audiences and projects should be their nature be free; others not. There should be a clear rationale explained for this. Some trusts will want you to charge because it demonstrates that you and those you are charging, value the work highly.

Re the Young Artists Programme – some of the larger funders (eg Jerwood) will be interested in helping to support the early career of emerging young artists and so there will be a need for any evidence of how THG has supported the careers of emerging artists so far.

7.3.1 Timescales and Ratios

By the end of 15/16 THG is proposing to have income from Trusts of over £12,500. For these to start in either April 15 (financial year) or September 15 (academic year), and to allow time for promotion, funding will need to be in place by December 14 to April 15 (in order to allow promotion with local schools before the summer break). This makes the timescales for fundraising very tight for trusts, particularly if the charitable status has not been resolved. Therefore it might make sense to weight the ACE application more heavily in the first year to allow more time to raise other matched funding from other Trusts and Foundations.

³ See appendix Trust Prospects

Currently many trusts are saying that applications have a 15 - 18% chance of success so you need to be putting in at least four times the value of the required amount across a number of different Trusts and Foundations. Good fundraising strategies need to be flexible – you will not always get what you want exactly when you want it so contingency plans need to be put in place from the outset.

7.4 Corporate Sponsorship

Whilst visitor numbers are low we advise seeking corporate sponsorship for exhibitions only in the first three years. You could enhance the appeal of the sponsorship by creating “packages” that involve both an education project (that is going to be very visible on site) and the sponsorship of an exhibition. Although it can be just as time consuming to raise £500 as £5,000, seeking small scale sponsors initially is sensible as it increases THG presence on the local and regional map. Other Trusts and Foundations and even public sector funds also like to see that all efforts have been made to engage with the private sector.

Once visitor numbers have risen and relationships with the business community have deepened it would be sensible to seek over arching sponsors for the gallery as a whole. By the end of Year Three it might be worth considering trying to secure just two Gallery Sponsors at £1,700 each rather than a number of exhibition sponsors and gallery sponsors. Creating a package of the Open (for one year) and another other exhibition might also be worthwhile.

Corporate sponsorship can come in the form of a corporate membership scheme but for THG it is better initially to just have corporate sponsors – that allows you to have a few sponsors rather than a membership scheme with not many members in the early days. Also, the nature of the region (ie rural) would suggest that the prospect pool will be small.

As with trusts it is important have a range of exhibitions / projects to offer to a sponsor which you can tailor to the sponsors needs. Most sponsors will be looking for a return on their sponsorship. Typical benefits to the company can be:

- Inclusion of the company logo on publicity material (branding)

- Invitations for business to use an event as an opportunity for entertaining clients - e.g. a private view (often called corporate hospitality).
- The opportunity for the sponsor to make direct contact with a particular audience.
- Enhanced reputation, profile raising and press contact for the business, especially in the case of high profile events or projects.

7.5 Individual Giving

7.5.1 Individual Sponsorship

At the low level of sponsorship THG will be seeking, (£500 for an exhibition), it may be possible to secure the occasional individual sponsorship. Individual sponsors may simply wish to sponsor because they wish to support the arts, or support a local gallery, and will require much lower returns for their sponsorship. Getting a member of the board or a group of the members to sponsor an exhibition would be a good way to encourage other wealthy individuals to sponsor exhibitions.

It needs to be noted that on the whole sponsors will not want to fund what they think a local authority should fund.... so it will be a delicate balance.

It needs to be noted that appeals for sponsorship and philanthropy are much more successful when they are made by the board of trustees and in particular by the Chair of the Board. Trustees should be chosen in part because of their status in the local community and for their links to the business community and to potential philanthropists. It should be made clear to all potential board members that they have a crucial role in fundraising. N.B some boards of trustees are now making it obligatory for all trustees to give to their organisation – so that they can ask their colleagues and friends to donate and sponsor on the basis that the board has already done so.

7.5.2 Membership

The numbers of members which THG has is strength to build on. One or two social events, talks etc. a year will help to make members feel special and make them feel part of the gallery. Basic membership should be seen as the bottom

of a pyramid of giving and by Year Three it might be possible to look into a higher tier of membership, with enhanced benefits at perhaps at the £50.00 level. Membership is also a route to finding potential major donors for cultivation in Years Four and Five and a route to encourage people to become legacy donors.

7.5.3 Legacies

Whilst THG is part of EDDC it has not been realistic to setup a legacy campaign. Once it has established itself as a charity, THG should set up a legacy campaign as soon as possible. Legacies are potentially a major growth area in fundraising in the U.K. In 2011 £1.8bn was left to charities in the UK which is around 15% of all donations and Legacy Foresight has predicted that the levels of legacy giving could double by 2050. Legacies are often the time when an individual will make major donations. . Legacies are a very cost effective way of raising money, and can attract significant sums, but they do take time for money to start coming through.

7.5.4 Donations

Donation “encouragement” is key in this area. Significant signage should be installed to bring attention to: the numbers of visitors, participants in education, numbers of workshops, rural areas covered by THG etc. People coming in off the street are clearly happy to make donations currently but the “ask” will be stronger when THG is a charity and that charitable status and what it means to the community should also be promoted in the donation area.

Other Fundraising

Should capacity or circumstances allow it then the following should also be considered for fundraising.

- A small scale project (it could be a community related project) that changes the frontage onto the car park and brings attention to the gallery as opposed to hiding it as the current wall and arch now do.
- There are some trusts who will consider capacity building in terms of requests for training or new IT / CRM etc. One such is Sir Siegmund Warburg’s Voluntary Settlement.

7.6 Public Funding

The key to securing public funding is intelligence about the programmes of funding which are on offer. THG needs to be constantly aware of the initiatives coming out from the following public agencies which are most relevant their education and community agenda.

Arts Council England.

ACE is regularly issuing challenge funds for various targeted project work. These are usually for significant amounts of money and THG should consider being a member of any consortia which could bid for relevant funds. ACE Grants for Arts – During 2014/15 THG should bid for up to three year funding to support the development of the education programme. In 2017/18 THG should be talking to ACE about a further significant Grants for the Arts bid to support a programme of Audience Development.

The Big Lottery (Reaching Communities)

The Big Lottery very rarely gives awards directly to arts organisations⁴ and only when they can demonstrate that the arts is the best way to deliver their required outcomes such as: improving life skills, stronger communities, and addressing issues facing long-term poor mental health, long-term unemployment, disadvantage and social isolation. Much more work would have to be carried out with disadvantaged groups and partner organisations through the community programme before THG could consider an approach to the Lottery.

Rural Development Fund England

The Rural Development Fund England devolves funding down to Local Action Groups. (LAGs) The East Devon LAG is “Making it Local” which is interested in funding projects that make the most of the outstanding landscape and local skills which bring long lasting prosperity and economic benefit to the area. Making it Local does not currently have any funds but should be in receipt of funding from RDPE for 2015 – 2200.

⁴ Lottery Funds to the Arts are distributed mainly through the Arts Council of England’s Funding programmes.

Previously eligible projects had to meet one or more of the following three “Making it Local” objectives;

A. Raise business performance and local employment.

B. Communities and Connections. For projects that help communities and businesses to be more resilient and sustainable by developing strong local connections, essential community services and community held assets.

C. Make the most of local resources. For projects which strengthen the local economy through sensitive and sustainable use of the landscape and natural resources, and that work with local culture and built heritage.

It is unlikely that the criteria will change radically for the next round of funding. THG needs to flag up its interest during 2014 to “Marking it Local”

Heritage Lottery Fund

Projects relating to the heritage of art or crafts or using arts and crafts to interpret local heritage are welcomed by the Heritage Lottery Fund. HLF has significant funds and it is worth thinking laterally about projects which could fit their criteria. Their case officers are available to discuss ideas at the earliest stage. The most relevant funds to THG are

- The Sharing Heritage Fund – for small projects up to £10,000k
- Our Heritage for projects between £10k and £100k
- Young Roots is for projects that engage young people with heritage in the UK and will provide funding up to £50,000 and could be very useful to support any of the education programmes.

Local Authorities

Whilst there are severe cuts being made to Local Authority budgets there are still occasionally some opportunities, especially where local authorities have accessed external funding. THG needs to try and keep abreast of any relevant opportunities which might come up in departments such as education, social care, children and families, local communities, young people, economic development/tourism etc.



7.7 Actions and Key Performance Indicators

ACTIONS	KPIs
<p>Actions - Year Zero Jan 14- March 15</p> <ul style="list-style-type: none"> • Applications made to EFF and ACE • Charity law specialist consulted • Constitutional documents created and application for charitable status made • Case for Support finalised • List of corporate sponsor prospects drawn up • Template sponsorship proposals created (for education and exhibitions) and sent to up to 30 local and regional companies • Membership benefits reviewed and ready for THG re-launch as charity • Research to identify additional trusts • Template trust applications created for Community projects • Applications out to 8-10 trusts to meet £6k target once charitable status confirmed • Initial discussions with RDPE undertaken • Secure small grants for IT equipment 	<p>KPIs - Year Zero Jan 14 - March 15</p> <ul style="list-style-type: none"> • Education officer post funding secured by December 2014 • Charitable status confirmed Sept 2014 • Three sponsors for 15/16 exhibitions secured by November 2014 • £6,000+ worth of funding pledged from Trusts for community projects by March 2015 for financial year 15/16 • Sponsorship of Open secured for Year 15/16 secured by Nov 2014 • Knowledge gained on RDPE requirements
<p>Actions – Year One 15/16</p> <ul style="list-style-type: none"> • Reporting back to sponsors, trusts, ACE • Major three year application submitted to RDPE • Community Project Applications 10- 12 applications to reach £10k trust target for 16/17 • 3 – 5 Trust applications made for support for exhibition programme for 16/17 • Redesign of Donation signage commissioned • Sponsors approached for 16/17 • Other Fundraising/income generation initiative planned and carried out • Membership recruitment drive • Investigate collaborative fundraising with partners – e.g. MIND etc. • Public sector bodies researched and approached for support with 15/16 programme • Fundraising strategy reviewed • 	<p>KPIs – Year One 15/16</p> <ul style="list-style-type: none"> • Strong relationships established with ACE, current trust and corporate supporters • 80% of Trust funding overall pledged for 16/17 in place by end of 15/16 • New signage in place • Four sponsors for 16/17 exhibitions secured by Nov/Dec 2015 • Three year funding of £48k secured from RDPE by July 2015. • Funding support for exhibition programme secured • Other fundraising/income generation raises £2,500 • Funding secured from other public bodies.
<p>Actions – Year Two 16/17</p> <ul style="list-style-type: none"> • Create sponsorship packages of education plus exhibition if not already in existence 	<p>KPIs – Year Two 16/17</p> <ul style="list-style-type: none"> • Increased donations as result of 15/16 redesign • Increased membership as result of 15/16 recruitment drive

<ul style="list-style-type: none"> • £1,100 sponsorship for Open 17/18 • Sponsors approached for 2017/18 approached • Trusts and Grants programme continues– if some two/three year grants have been secured may be less onerous than 2015/16 • Exhibition funding researched for 17/18 • Exhibition sponsors for 2017/18 approached • Analysis of funding position in light of end of EFF post at end of 17/18 • Research to find alternative funder for post for 18/19 • Fundraising strategy reviewed • Initial discussion with ACE re future GfA Audience Development Bid • Other Fundraising/income generation initiative planned and carried out 	<ul style="list-style-type: none"> • All exhibitions sponsored @ £500 each • Targets for Trusts funding and public contracts reached • Sponsors identified for 17/18 Open • At least 78 Members • Other fundraising/income generation raises £2,750 •
<p>Actions Year Three – 17/18</p> <ul style="list-style-type: none"> • Trusts for education researched and 10 -1 2 bids submitted for future education programme • Bid submitted for to Trusts for exhibition programme • Bids submitted to Trusts for community programme • Exhibition sponsors identified for Exhibitions for 18/19 • Bid in with ACE re Audience Development • Prepare three year fundraising strategy and get it agreed 	<p>KPIs Year Three – 17/18</p> <ul style="list-style-type: none"> • Education programme funding of at least £30k for 18/19 in place • Exhibition sponsors secured for 18/19 • Gallery Sponsors £1250 • Three year funding programme secured from ACE Grant for Arts • Other fundraising/income generation raises £2,750 • Resources identified to deliver three year fund-raising strategy



7.8 Fundraising Targets

Note that the fundraising targets relate to secured / pledged income rather than received income – i.e. in Year 14/15 income from ACE and EFF will be secured but not received/spent by THG. Thus the targets differ in some degree from the budget figures.

14/15	
Esmee Fairbairn 2015/16 - 17/18	69,000
Trusts for Community Projects	6,036
Trust grant for capital equipment (IT)	3,500
Sponsorship for exhibitions 15/16	1,500
ACE Grants for the Arts 2015/16 - 17/18	72,522
Total	152,558
15/16	
Trusts towards exhibition programme 16/17	2,500
Trusts toward community programme 16/17	10,000
Sponsorship for exhibitions 16/17	2,000
Sponsorship for Open 2016/17	900
NHS/LA /Other contracts (Education)	5,000
Rural Development Programme 16/17 to 18/19	48,921
Other income generating events	2,500
Membership fees	1,500
Total	73,321

16/17	
Trusts for exhibition programme 17/18	3,500
Trusts toward community programme 17/18	10,000
Sponsorship for exhibitions 17/18	2,500
Other income generating events	2,750
NHS/LA /Other contracts (Education)	5,500
Membership	1,575
Total	25,825
17/18	
Trusts/other income for Education for 18/19	30,000
Trusts for exhibition programme 18/19	5,000
Trusts for community programme	10,000
Sponsorship for exhibitions 18/19	2,500
Sponsorship for Open	1,100
Other income generating events	4,000
NHS/LA /Other contracts (Education)	6,050
Membership	1,654
ACE (GfA) - Audience Development (?) 3 year	75,000
	135,304
FOUR YEAR TOTAL	387,007

8 Income Generation

8.1 Shop

The figures we have been given are for combined shop sales and art sales. Art work in shows is sold on a commission fee of 40% which is less than some commercial galleries but in line with the commission charged by most subsidised galleries. The quality of the craftwork on sale is of a high quality and is reasonably priced and is sold on sale or return, which is a sensible for a small gallery. There is a small space in the upstairs gallery to feature work of specific makers.

Shop sales and art sales have been rising steadily and the recent changes to the building have contributing to increased sales. Average spend per head is £2.52 which is a healthy figure (similar to the spend per head at Tate St Ives) and overall profit margin is 40% which could be improved to a more “industry standard” of 45-50%⁵. This could be achieved whilst still keeping The Present Makers Xmas show which is focused on providing high quality Xmas gifts in becoming increasing successful with sales exceeding £5k for the last two shows.

8.1.1 Actions

- There is little competition for the shop in Honiton and more can be done to promote the shop as a destination in its own right- with marketing and advertising being undertaken which focuses specifically on the shop.
- We suggest that the gallery seeks some expert retail advice on how to further improve sales
- Visits are made to other comparable galleries
- The shop need to provide more low cost items (but not low quality) so “everybody leaves with something” – more art postcards etc.
- Consideration is given to providing low cost items which will appeal to school parties.
- Consideration should be given to removing the wall between the corridor and the shop, thereby making it more immediately accessible to all visitors

⁵ This overall profit margin could be increased without changing the 40% commission on art and craft work

- The featured maker exhibition is to give a higher profile
- Volunteers are given retail training and key volunteers are given information about the makers whose work is featured in the gallery or as a featured maker upstairs.

The chart below demonstrates the potential of increase in profit from the shop and art sales over the next four years.

The figures for 2013 are the latest figures based on January to December. Visitor numbers are based on a 15% increase year on year to the gallery⁶.

Average spend per head is based on a 5% increase in 2014/15 and a 7.5% increase for the following three years – resulting in sales per head of £3.29 per head. £3.29 per head is a high return per head compared with other gallery shop and achieving this level of return is based on a successful promotion of the shop as a retail destination in its own right and a steady improvement in the relevance of the retail offer to visitors.

	2013	2014/15	2015/16	2016/17	2017/18
Number of Visitors	6,906	7,942	9,133	10,503	12,079
Average Spend per head	2.52	2.65	2.84	3.06	3.29
Total spend	7,402	21,013	25,978	32,115	39,702
Profit	6,961	8,825	11,690	14,451	17,866

8.2 Café

The café represents a real challenge to THG. Somewhere to sit comfortably and have a hot or cold drink and a piece of cake biscuits etc. are part of what is expected in a visit to a gallery. Access to some refreshments is expected by school parties.

Gallery visitor numbers will always be too low, and the space available too small to be able to offer a high quality staffed café. Also, the building and its position currently militates against THG creating a cafe which could attract customers in its own right. There is also considerable competition in the High Street

⁶ See Marketing section

At present a basic service is provided by volunteers and the gallery is developing a relationship with Boston Tea Party who are providing “pop up cafes” for special events and busy days e.g. family workshops. The possibility of providing catering outside in the summer with Boston Tea Party is also being investigated.

In order to help cater for those who want something more substantial as part of their visit THG could consider doing a deal with Boston Tea Party offering a discount ticket.

Whilst we think it is important to offer refreshments as part of the overall experience it is hard to see such facilities making much profit given the restraints caused by low footfall, initial cost of investment and restricted space. The relationship with Boston Tea Party is interesting but is unlikely to provide THG with much income – but will improve the offer. Currently the income per head is around 0.05 (which is 1 in 20/25 visitors having a hot drink) and we have calculated future income on this figure

	2015/16	2016/17	2017/18
Visitor Numbers	9,133	10,503	12,079
Income per head	0.05	0.05	0.05
Total income	457	525	604
Profit @ 50%	228	263	302

8.3 Donations or Charging

8.3.1 Background

Over the last 30 years there has been a pattern of change, culminating in large scale government investment in national museums and galleries from 2001 onwards and the opening of a large number of lottery funded projects. This recent investment has seen a rise in the numbers of people attending museums and galleries in the UK (although research shows that it is not entirely clear which is the greater driver for increased attendance, free admission or new product, i.e. exhibitions⁷). The picture is not clear and there is no reliable raw data on which to predict the impact of charging.

⁷ See article by Sara Selwood and Maurice Davies <http://www.spiked-online.com/articles/0000000CAD38.htm>

When charges were introduced to the Victoria and Albert and to the Royal Observatory in 1997, visitor numbers in both museums dropped by 50%. Since 1997, when free entry to all National Museums was reinstated visitor numbers rose by 51%. Vanessa Trevelyan President of the Museums Association stated in interview that 40% is the standard drop in visitor attendance for museums introducing charging. However, overall there is very no ‘raw’ data about the impact of introducing charging to UK museums and galleries. In Bath and York, we know that continuing to apply admission charging (during the period when other museums were going free) did not have an adverse effect on visitor numbers.

In the U.S. the Children’s Museum of Indianapolis, has completed research with a range of museums on the impact of moving from free to paid admission fees. The most common experience was that it took about five years to re-build attendance to the pre-admissions level.

8.3.2 Income from Charging

Let us assume that charging has a significant impact on the visitor numbers which is partially set off by an improved programme and a much improved marketing strategy. So in 2015/6 visitor number reduce by 40% from the initial target and then recover by an increase in 15% per year then on. We have assumed that 50% of visits are paying visits (under 18’s are free and school children’s parties’ income is addressed elsewhere). This would give us the following income figures based on an entry fee of £3. We have assumed that entry fee would be a year’s membership and therefore would qualify for Gift Aid.

	2014/15	2015/16	2016/17	2017/18
Original Visitor Numbers	7,942	9,133	10,503	12,079
Reduced by 40% then +15% added year on year	4,765	5,480	6,302	7,247
Income from 50% of visitors	7,148	8,220	9,453	10,871
Income including Gift aid (28%) at 60% collection	9,149	10,521	12,099	13,914

8.3.3 Income from Donations

For the calendar year 2013 donations from visitors amounted to £1,657 which calculates as £0.24 per visitor. We have assumed that better promoting of this could push the figure up to 40p per visitor by 2017/18.

	2013	2014/5	2015/16	2016/17	2017/18
Visitor Numbers	6,906	7,942	9,133	10,503	12,079
Donations per head	0.24	0.27	0.3	0.35	0.4
Income	1,657	2,144	2,740	3,676	4,831
Income including 25% of Gift Aid Collected	1,773	2,294	2,931	3,933	5,169

The initial difference between charging and donations by 2017/18 is £13,914 - £5,169 = £8,745

However we then need to factor in

the loss on shop sales at 3.29 per head by 2017/18 x 4,832 (loss of visitor numbers) = £15,897 @ 45% profit = £7,153

the loss on cafe at 0.25 per head by 2017/18 x 4,832 (loss of visitor numbers) = £1,208 @ 50% profit = £604

This reduces the difference between the two models to £988 to be measured against possibly only attracting 7,247 visitors as opposed to 12,079 if the gallery is to remain free for entry.

Our recommendation is to keep entry to the gallery free for the immediate future



9 Governance

If Thelma Hulbert Gallery is floated off as an independent organisation then due consideration needs to be taken as to the model of governance it adopts. The most important factors to be taken into account are

- a status which maximises the ability to raise funds
- a status which allows the organisation to employ staff and own assets
- limited liability for the trustees of the new organisation
- tax benefits

There are a number of different types of organisation which could be set up and after considering the advantages and disadvantages of each model we suggest that the gallery should float itself off as a Charitable Incorporated Organisation (CIO)⁸.

9.1 Charitable Incorporated Organisation

The Charitable Incorporated Organisation (CIO) is a legal form for charities which came into effect in 2012 and provides the benefits of being a charity and limited liability for the trustees and members but without some of the burdens of being a registered limited company.

A CIO:

- is an incorporated form of charity which is not a company
- has its constitution as its prime governing document
- only has to register with the Charity Commission and not Companies House
- can enter into contracts in its own right
- its trustees will normally have limited or no liability for the debts of the CIO

The Charity Commissioners state “We think that the CIO will be most suitable for small to medium sized organisations which employ staff and/or enter into contracts”.

⁸ For more information about Charitable Incorporated Organisations see [http://www.charitycommission.gov.uk/frequently-asked-questions/faqs-about-charitable-incorporated-organisations-\(cios\)/](http://www.charitycommission.gov.uk/frequently-asked-questions/faqs-about-charitable-incorporated-organisations-(cios)/)

Advantages are that

- THG could bid to a wide range of funders and bid for core costs through full cost recovery model and therefore reduce amount of funding it requires from the local authority.
- THG as an independent charity can be “lighter on its feet” and respond to opportunities more quickly than it can whilst within the local authority.
- An independent charity would be more attractive to legacies, the development of friends and members schemes, and business sponsorship.
- The gallery would develop greater resilience should EDDC have to make very significant cuts. At present the gallery’s existence is very vulnerable to further cuts from the local authority.
- EDDC could award a Service Level Agreement which would make it absolutely clear what it expected for its investment.
- A CIO is easier to set up and is relative light on regulation compared with a Charitable Company which requires the organisation to be responsible to both the Charity Commissioners and Company’s House.
- THG would have exemption from certain forms of taxation e.g. capital gains tax and corporation tax and a minimum of 80% and possibly 100% reduction in the non-domestic rates on the property;

9.2 Trustees, and Members with CIO’s

There are two different models of Charitable Incorporated Organisation, and the Charity Commissioners have produced two model constitutions

- the ‘foundation’ model (this model) is for charities whose only voting members will be the charity trustees
- the ‘association’ model is for charities that will have a wider membership, including voting members other than the charity trustees

In practice a CIO using the 'foundation' model will be like an incorporate charitable trust, run by a small group of people (the charity trustees) who make all key decisions. Charity trustees may be appointed for an unlimited time and they will probably appoint new charity trustees.

A CIO using the 'association' model will have a wider voting membership who must make certain decisions (such as amending the constitution), will usually appoint some or all of the charity trustees (who will serve for fixed terms), and may be involved in the work of the CIO. There are not two different forms of CIO. A CIO with the 'foundation' model could change its constitution to the 'association' model if it wanted a wider voting membership. (This could also happen the other way around, but members who were not trustees would have to agree to give up their membership.) Some changes would need Charity Commissioners approval.

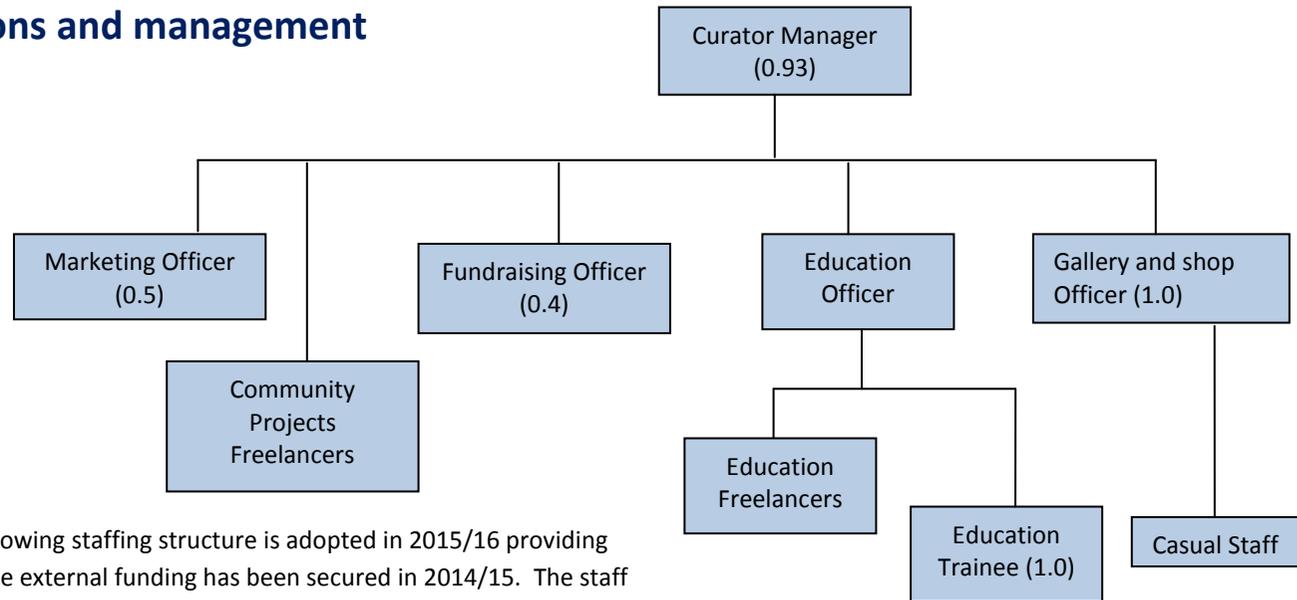
THG will need to decide which model constitution it would like to adopt.⁹



⁹ <http://www.charitycommission.gov.uk/detailed-guidance/registering-a-charity/model-governing-documents/>

10 Operations and management

10.1 Staffing



We suggest the following staffing structure is adopted in 2015/16 providing that the appropriate external funding has been secured in 2014/15. The staff roles are briefly outlined here. Work needs to be done to negotiate new full job descriptions as part of the transfer from Local Authority department to independent trust status.

10.1.1 Curator/Manager

Curator/manger would be directly responsible to the board of trustees for the operation of the gallery.

Their key operational roles would be

- Providing leadership and supervising and managing all staff and volunteers.
- Curating the exhibition programme
- Developing strategic partnerships
- Contributing to fundraising strategy
- Contributing to education programme
- Developing and managing community projects
- Supervise freelance staff on community projects
- Financial planning
- Liaising and reporting to key funders

The current Curator/Manager wishes to work four days a week. We suggest that when she leaves consideration is given to making the Curator/Manager's role full time

10.1.2 Marketing Officer

Key roles are

- Developing and delivering appropriate exhibition marketing and audience development strategies
- Marketing the gallery shop
- Marketing education programme
- Securing sponsorship for Open and exhibitions programme
- Marketing hires of building and other income generating opportunities

10.1.3 Fundraising Officer

Key role is to work closely with the Curator/Manager and Education Officer to raise funds as identified in the business plan to support the delivery of the overall activities of the charity.

10.1.4 Education Officer

Key Roles are to

- Deliver and manage the delivery of the education programme
- Manage and support Education trainee
- Manage and supervise education freelancers
- Contribute to the fundraising strategy for the education programme

10.1.5 Education Trainee

This is a post to give new artists the opportunity to develop their “arts in education” skills through a twelve month contract to support the work of the education officer. It may be possible to make the post an apprentice and attract funding to support the post and the training programme.

10.1.6 Gallery and Shop Officer

At present the posts of administrator and shop officer are combined and whilst the current staff member is in post we recommend that this should continue.

Key Roles would be

- Financial management
- Wages and tax
- All administrative support which is required to deliver the programme as outlined in business plan
- Timetabling casual staff and volunteers
- Managing development of shop
- Buying for shop – in consultation with Curator/Manager
- Stocking shop including presenting items
- Training/supporting volunteers to work in shop

10.2 Trustees

If an independent charity is to be set up then a board of trustees needs to be set up.

10.2.1 Role of Trustees

The twelve essential roles of a board as defined by the National Council of Voluntary Organisations is as follows¹⁰

1. Set and maintain vision, mission and values
2. Develop strategy
3. Establish and monitor policies
4. Set up employment procedures
5. Ensure compliance with governing document
6. Ensure accountability
7. Ensure compliance with the law
8. Maintain proper fiscal oversight
9. Select, manage and support the chief executive
10. Respect the role of staff
11. Maintain effective board performance
12. Promote the organisation.

10.2.2 Recruiting Trustees

Recruiting a good board of trustees is a crucial step in the development of THG as an independent charity. The early years of establishing the charity will be challenging and the organisation will want a strong board of trustees to support the Curator/Manager and staff and to represent the gallery and its vision in a variety of settings. The strength of a charity can be partly judged from the outside by the strength of the trustees so it will be important to recruit people who have significant standing in key areas of the charities operation.

The Chair

The Chair is a very key appointment as

- they will represent the charity in many public situation
- The relationship between the Chair and the Curator/Manager is crucial to the success of the organisation. It is a fundamental building block on which the organisation’s governance and development rests. The chair and Curator/Manager need to work as a team to provide leadership for the organisation as a whole, with respect to both internal and external affairs.

We suggest strongly that the post of chair of the new independent charity is advertised and a rigorous appointment procedure is adhered to. We would suggest that this is done as soon as possible so that the Chair can be involved in the setting up of the charity and be instrumental in recruiting other members of the board.

¹⁰ From Trustees Works website at <http://www.reachskills.org.uk/essential-roles-volunteers>

Make up of Board

Setting up a new board is a great opportunity for THG. It is an opportunity to get fully behind the charity a key group of advocates and supporters. As well as their role on over-seeing the governance and financial viability of THG the trustees can bring skills and experience to share with the organisation. We recommend that a board of 8- 10 trustees is recruited and that amongst its members are

- a solicitor
- an accountant
- a local politician
- high profile members of business community
- somebody with experience of education at a senior level
- a high profile visual artist/ arts administrator

11 Finances

INCOME	2015/16	2016/17	2017/18
Earned Income			
Fees to curate animation	750	1,000	1,500
Fees from Open		1,750	
Shop Income	11,690	14,452	17,866
Room Hire	3,000	3,300	3,465
Education Fees	9,875	10,369	10,369
Community project fees	1,440	3,000	3,000
Apprenticeship grant + training Allowance	2,500	2,500	2,500
Catering	228	263	604
Other income generating events	2,500	2,750	4,000
subtotal	31,983	39,383	43,304
Public Sector Income			
Grants for the Arts ACE (Education)	24,174	24,174	24,174
NHS/LA /Other contracts (Education)	5,000	5,500	6,050
Rural Development programme/LAG		16,307	16,307
subtotal	29,174	45,981	46,531
Private Sector Income			
Membership	1,500	1,575	1,654
Sponsorship for Open		900	
Sponsorship for exhibitions	1,500	2,000	2,500
Visitor Donations	2,740	3,676	4,831
subtotal	5,740	8,151	8,985
Trusts and Foundations			
Esmee Fairbairn Education Trusts	23,000	23,000	23,000
Community projects	6,036	10,000	10,000
Trusts towards Exhibitions Programme		2,500	3,500
subtotal	29,036	35,500	36,500
Total Income	95,933	129,015	135,320
Grant from EDDC	67,991	60,159	53,204
EDDC as% of expenditure	41%	32%	28%

EXPENDITURE	2015/16	2016/17	2017/18
STAFF Costs			
Curator/Manger	25,891	25,891	25,891
Gallery Administrator	23,391	23,391	23,391
Marketing Officer	13,942	13,942	13,942
Fundraising Officer	11,235	11,235	11,235
Education Officer	25,294	25,294	25,294
Trainee Education Worker	13,870	13,870	13,870
Casual Staff	3,700	3,700	3,700
Training	2,000	2,000	2,000
Travel and subsistence	2,500	2,500	2,500
Education Freelance fees	5,400	5,400	5,400
Community Project freelance fees	2,700	13,050	13,050
Volunteer expenses	1,500	1,500	1,500
subtotal	131,424	141,774	141,774
Core Overheads			
Insurance public liability etc	1,500	1,500	1,500
Memberships and subscriptions	100	100	100
Books and magazines	200	200	200
Conference/seminar fees	300	300	300
IT Support	1,200	1,200	1,200
Data protection	35	35	35
Web and email hosting	175	175	175
Software and peripherals	150	150	150
Telecoms Broadband and phone	550	550	550
Mobile phones	840	840	840
Accountancy	750	750	750
Postage	100	100	100
Printing - non marketing	250	250	250
Stationary	750	750	750
Bank Charges	-	250	250
Bank Interest	-	-	-
Credit Card Charges	550	550	550
subtotal	7,450	7,700	7,700

Building			
Rates		-	
Rent	-	-	
Cleaning	2,370	2,370	2,370
Property Maintenance	1,500	1,500	1,500
Electricity	835	835	835
Gas	1,145	1,145	1,145
Water	651	651	651
Property Insurance	800	800	800
subtotal	7,300	7,300	7,300
Exhibition Costs	5,000	6,500	9,000
Open Expenditure		4,150	
Community project Costs		8,000	8,000
Education Costs			
Materials	6,000	6,000	6,000
Marketing	1,500	1,500	1,500
subtotal	7,500	7,500	7,500
Marketing Costs			
Design	1,000	1,000	1,000
Print	1,500	1,500	1,500
Online and advertising	1,000	2,000	3,000
Events	1,000	1,000	1,000
Postage	750	750	750
subtotal	5,250	6,250	7,250
TOTAL Expenditure	163,924	189,174	188,524

12 Risks

12.1 To be written once plan has been approval

APPENDICES

Role of Trustees

The twelve essential roles of a board as defined by the National Council of Voluntary Organisations is as follows¹¹

1. Set and maintain vision, mission and values

2. Develop strategy

The trustee board is responsible for establishing the essential purpose or mission of the organisation. They are also responsible for guarding its vision and values. Together, the charity board and chief executive officer (the Curator/Manager in the case of THG) develop long-term strategy. Meeting agendas reflect the key points of the strategy to keep the organisation on track.

3. Establish and monitor policies

The trustee board creates policies to govern organisational activity. These cover:

- Guidance for staff
- Systems for reporting and monitoring
- An ethical framework for everyone connected with the organisation
- Conduct of trustees and board business

4. Set up employment procedures

The charity trustee board creates comprehensive, fair and legal personnel policies. These protect the organisation and those who work for it. They cover:

- Recruitment
- Support
- Appraisal
- Remuneration
- Discipline

5. Ensure compliance with governing document

The governing document is the rulebook for the organisation. The board makes sure it is followed. In particular, the organisation's activities must comply with its charitable objectives.

6. Ensure accountability

The board should ensure that the organisation is accountable as required by law to:

- the Charity Commission
- the Inland Revenue
- Customs and Excise
- the Registrar of Companies (if it is a company limited by guarantee).

The board also needs to make certain that the organisation is accountable to donors, beneficiaries, staff, volunteer, and the general public. This means publishing annual reports and accounts and communicating effectively.

7. Ensure compliance with the law

The board is responsible for making sure that all the organisation's activities are legal.

8. Maintain proper fiscal oversight

The board is responsible for effectively managing the organisation's resources so it can meet its charitable objects. It:

- Secures sufficient resources to fulfil the mission
- Monitors spending
- Approves the annual financial statement and budget
- Provides insurance to protect the organisation from liability
- Seeks to minimise risk
- Participates in fundraising (in some organisations)
- Ensures legal compliance

¹¹ From Trustees Works website at <http://www.reachskills.org.uk/essential-roles-volunteers>

9. Select, manage and support the chief executive (Curator/Manager)

The board creates policy covering the employment of the chief executive. It selects and supports the chief executive and reviews his or her performance.

10. Respect the role of staff

The board recognises and respects the domain of staff responsibility. At the same time, it creates policy to guide staff activities and safeguard the interests of the organisation.

11. Maintain effective board performance

The board keeps its own house in order. It takes steps to establish:

- Productive meetings

- High standards of trustee conduct
- Effective committees with adequate resources
- Development activities
- Recruitment and induction processes
- Regular performance reviews
- Partnership with consultants where necessary

12. Promote the organisation

Through its own behaviour, governance oversight and activities on behalf of the organisation the governing Board enhances and protects the reputation of its organisation. Board members are good ambassadors for the organisation.

Target market for THG*

Current Audience

Currently the gallery attracts circa 5-6000 visits a year with the aim of increasing this to 12,000 over 3 years. We have little information about attendees including how many of them are repeat visitors.

Action: capture data on attendees and ask if first time attendees. Once sufficient data captured on sufficient attendees (1000) THG can profile its own audience.**

Potential Audience

Total population 45 min drive time (16+) =571,613. Population which currently engages with the arts (ie is in one of the ACE Audience Insights engagement segments) = 412,258

Population which is ABC1 = 205,774

Population who Attended Art Galleries/Art Exhibitions in 2012 = 166,425

Attendees at Art Galleries/Art Exhibitions twice or more a year = 46,972

So of the 45 min drive time population of 571,613, 28% has visited a gallery or exhibition once in the last year and 8% has visited twice or more.

A realistic potential local audience of 166,425 exists for THG, in addition to tourists (650,000 trips whilst in East Devon)

The challenge is to reach them. Currently THG has a fairly low profile and is likely not to have high levels of awareness amongst target audiences.

Opportunity The overall population of East Devon is expected to increase by 9962 people between 2011 and 2021, a rise of 7.5%, partly due to new community at Cranbrook.

Online/digital marketing offers huge potential for THG to broaden its audience.

Segmentation systems

Arts Council England **Audience Insight** segmentation divides the population into 13 segments. See the document arts_audiences_insight.pdf for profiles of all the segments and suggestions of how to engage with them. This segmentation

system shows different groups' engagement with and propensity for engagement with the arts. The target market area for THG has higher than national average numbers of Traditional Culture Vultures, Mature Explorers, Family and Community Focused and Retired Arts and Crafts segments. Traditional Culture Vultures are highly engaged with the arts and make up 4.5% of the target market population.

The other groups which have some engagement and are potential targets for THG are: Mature Explorers (11.8% of the target population), Fun, fashion and friends 18.2%, Dinner and a Show 19.9%, Family and Community focussed 13.6% and retired arts and crafts 3%.

Encouragingly, all the potential target segments for THG are high users of the internet.

THG core audience likely to be made up of: Traditional Culture Vultures, Mature Explorers

Engaging with Traditional Culture Vultures

'The challenge will be getting them to try out something new, given their tendency to stick to the 'tried and tested'... Positioning the opportunities as high quality, with endorsement from arts professionals and critics is also likely to be effective.

As they are already frequent attenders, in-venue marketing is a key way to reach this group. Targeted radio and online communications could also be effective.' From ACE Insights

Engaging with Mature Explorers

Mature explorers are open to new experiences and engaging with the arts when they come across them. A key strategy for engaging with this segment could therefore be through providing arts opportunities in contexts where they are likely to encounter them. Displaying sculpture outdoors in gardens or heritage

sites, holding art or craft exhibitions in castles and stately homes and creating promotional tie-ins with other 'big day out' events could all prove fruitful. Positioning the arts as an opportunity to have new experiences or explore different cultures could be a good way to appeal to this segment.

THG Potential audiences: Fun, Fashion and Friends, Dinner and a Show, Family and Community Focused

Engaging with fun, fashion and friends

Arts opportunities positioned as 'contemporary', 'trendy', 'fun' and as an opportunity to spend time with friends and family are likely to be successful among this group. Making things available for last-minute booking or late night activities could also ease the pressures created by work and family commitments and widen the range of opportunities that they are able to engage with.

In general, this group is already engaged with and has a positive attitude towards the arts – the challenge is not about convincing them to engage, but finding appropriate communication channels to remind them to go more often, and about creating more arts opportunities that fit with their lifestyle and interests.

Engaging with Dinner and a Show

Infrequent attenders at a limited number of arts events, the challenge with this group is to provide opportunities that fit their lifestyle. Overall, they are likely to respond to offers that position the arts as entertaining, relaxing and sociable. Arts activities that they can enjoy with their grandchildren might also hold appeal to some among this group.

Targeted multi-ticket offers might encourage this group to attend more often. In addition to marketing routed via large-scale venues, internet is a key

communication media for this group – they are likely to search for opportunities and book tickets online.

Engaging with family and community focussed

Successful strategies for engaging with this group could tap into their key drivers of family and community, positioning arts opportunities as: a fun and social outing for both adults and children; an educational or developmental opportunity for children; a chance to spend time with friends and family or an opportunity to get involved in the local community. Participatory arts that they could take part in as a family group might also appeal. Keeping activities free of charge or low cost would help by reducing the financial risk of getting involved, and incorporating games or competitions into the marketing of events and activities could stimulate interest from this group.

Audience development projects could focus on attracting audiences from other segments. These groups will be difficult to attract without specific audience development plans and budgets.

ACORN shows very high levels of 'Affluent Greys' 128,098 of these in 45 min drive time. This takes into account the population but not the significant number of tourists/visitors that the area of East Devon attracts. (2,468,000 day visits annually / 650,000 trips by staying visitors / 2,857,000 staying visitor nights.) There is potential to market THG with these groups as a wet weather activity – particularly if packaged with Honiton Antiques shops as an art and antiques afternoon.

*We have used data on a 45 min drive time from Honiton (NB contact the Audience Agency for reports on shorter or longer drive times) See appendix - full report 'Drive-Time, Honiton, 45.0 Minutes' to see map of area and further details. NB because we do not have audience data on THG attendees we have made some assumptions on their likely profile.

**There will be a cost for this - contact The Audience Agency for details.

Trust prospects

There are a host of much smaller trusts who will consider applications but these are the main ones for the arts, some of who will consider applications from non charitable organisations. Signing up to Trustfunding.org (£350.00 pa approx) in combination with the use of the Charity Commission website provides a wealth of information.

Trust / Foundation	Total Awards Annually	Size of Grant	Do you have to be a Charity?	Visual arts, craft, arts education
Arts Council Exceptional Awards	£604m - ACE	50,000 max	No	All arts
Arts Council Grants for the Arts	£604m - ACE	£10,000 - £100,000+	No	All arts.
Baring Foundation	2.5m	up to 50k	Yes	Funds the arts particularly with the elderly
Bernard Sunley Foundation	2.5m	10-50k (v few much larger)	Yes	357k to arts per annum including National Gallery and RA.
Calouste Gulbenkian Foundation	3m	Up to 100k	Case by case	particularly but not exclusively work from Portugal
Clore Duffield Foundation Main / Learning Spaces Programme	£6.4m	5000 - 1m	Yes	In effect capital only; Clore Leadership could provide staff development
D'Oyly Carte Charitable Trust	930k	up to 10k	Yes	Access, education and excellence in the arts for young people (particularly music); access to the arts for people who least have access to them - more performing arts than visual but some visual
Dr Mortimer and Theresa Sackler	30m	120k-2m		Education and arts
Dunard Fund	1.2m	Up to 100k	registered charities only	Scottish focus but not exclusive to Scotland

Enid Linder Foundation	511k	Up to 50k	Yes	Arts generally -To fund projects which aim to develop and encourage individual and group talent in musical, theatre and illustrative art
Eranda Foundation	4.3m	Up to 15k	No	Arts brief unspecific but advisable to talk through plans on phone.
Ernest Cook	1.3m	up to 10k	yes	Project, no capital - arts and young people
Esme Fairbairn Foundation	£30.5m	£1000-£150,000	No	All arts bar capital.
Foyle Foundation	£4.49m	10,000 - 100,000 in 2 strand	Yes	Wide ranging arts remit and will consider core for small non NPO orgs
Garfield Weston	£46.5m	£500-£3m!	Yes	Anything except animal welfare; the common themes are charities that demonstrate quality and excellence with projects that have clear outcomes and benefits, good leadership and sensible business plans
Henry Moore Foundation	699k	Up to 30k	yes	May be good for commission for exterior sculpture Fine arts, in particular sculpture, and research and development, projects and exhibitions which expand the definition of sculpture, such as film, photography and performance inc commissions
Hintze Family Charitable Trust	£4.6m	£50,000 +	Case by case	Promoting access to museums, libraries and art galleries
Jerwood Foundation	1.1m	1.5k - 100k		Core or education for those who are still in formal education (not clear if that includes post grad).
John Ellerman - Regional Museums and Galleries Fund only	£4.5m	10-32k	Yes	Art that has the potential to enrich and transform lives; No capital and no education projects
John S Cohen Charitable Trust	316k	Up to 10k	yes	All arts - including British Museum and Public Catalogue Foundation, Truro Cathedral; Eden Trust
Leverhulme	80m	up to 1m		Artists in Residence only relevant to THG

Paul Hamlyn Foundation	17.7m	£5000-£70,000	No - constituted not for profit is fine	Development and dissemination of new ideas to increase people's experience, enjoyment and involvement in the arts in the UK
Rayne Foundation	1.4m	3-50k		Very outcome based
Sainsbury	100m+	£10,000-£1m+	Only registered charities or activities with clearly defined charitable purposes	Vast range of arts funding across all Sainsbury family trusts, particularly Gatsby and Linbury
Sir Siegmund Warburg's Voluntary Settlement	2.2m	5k-200k	Charities only	Current policy of the Trustees is to concentrate charitable giving on the arts. Currently making larger/more grants as planning to wind down in next "few years"

Timescale for Delivery 2014/15

	2014											2015		
	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March
Go ahead for Independent Charity														
Advertise and appoint chair														
Set up charity														
Research and appoint rest of board														
Research TUPE etc re staff transfer														
Negotiate any changes to job descriptions														
Application to Arts Council														
Application to Esmee Fairbairn														
Apply for other education funding														
Advertise and appoint education worker														
Set up apprenticeship scheme														
Advertise and appoint apprenticeship														
Work on sponsorship for Open prizes														
Work on sponsorship for exhibition programme														
Research improvements to visitor donations														
Research and apply for Young Artists Support														
Research community project funding														