

## Press Release – Embargoed until 15.00hrs, 3<sup>rd</sup> July 2012

### **National Funding Scheme (NFS) for arts, cultural and heritage sector to be announced by Jeremy Hunt MP**

*The use of mobile technology set to revolutionise how the UK's arts and cultural institutions are funded*

**Jeremy Hunt MP, Secretary of State for Culture, Media, Olympics and Sport, will today announce the UK's national funding scheme at the National Portrait Gallery with Sandy Nairne, Director of the National Portrait Gallery and William Makower, CEO of Panlogic, the scheme's founder.**

The National Funding Scheme ([www.nationalfundingscheme.org](http://www.nationalfundingscheme.org)), available from March next year, will provide a means for visitors and supporters to use their mobiles and tablets to direct funds to the arts and cultural institutions they wish to support. The scheme's aim is to raise new funds for the sector through mass giving.

The scheme will address the following issues:

- Introduces new donors to cultural institutions by providing a national, simple and accessible means.
- Giving needs to tap into the point of high emotional impact (in the cafe after the exhibition, reading a plaque, at the encore etc.).
- Providing additional means for international tourists to give to our cultural institutions and organisations
- Providing a means to collect donor details and therefore begin a conversation with the donor.
- The need to 'change the language' around giving - it is not just for the wealthy, but something all can participate in

The creation of the National Funding Scheme is in line with the Secretary of State's strategic thinking and his comments made at the Victoria and Albert Museum on 20<sup>th</sup> June, 2012;

"...we need to do a lot more work than that to understand about digital philanthropy and how we can master getting lots of small gifts rather than a few big gifts ..." [http://www.culture.gov.uk/news/ministers\\_speeches/9147.aspx](http://www.culture.gov.uk/news/ministers_speeches/9147.aspx)

The platform will allow donations via four mobile means

- SMS text giving
- System stored credit cards
- Interactive voice/tone response (IVR)
- Near field communication (NFC)
- Apps

In addition the national system will provide a registration platform providing all donors with a record of their donations and, for higher rate UK taxpayers, facilitation to make appropriate Gift Aid reclaims. Basic rate Gift Aid will be reclaimed by the charity behind the National Funding Scheme and be paid over to the recipient institutions.

Institutions will be provided with a web portal and brand guidelines to develop appropriate signage for both individual exhibits and entrances/exit ways etc. Subject to donor data opt-ins, institutions will be able to purchase donors' details. Additional marketing will be provided both by national communication campaigns and, again subject to opt-in, text messaging to registered users.

### **Research findings**

Panlogic, with grants from the Paul Hamlyn Foundation, Rothschild Foundation, the Royal Society of Arts and others carried out over 85 face-face interviews with senior individuals across the cultural landscape and had nearly 950 responses to their online consultation. Ipsos Mori were also asked to carry out independent research. Amongst other findings these show:

- That for 48% of respondents something that shows what is being done with a donation will increase giving (Panlogic consultation, Mar-June 2012)
- 73% of respondents want to allow donors to understand specific things that individual institutions want to raise money for (Panlogic consultation, Mar-June 2012)

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- 44% of respondents said a system with flexibility would encourage them to give more to arts and cultural institutions (Panlogic consultation, Mar-June 2012)
- 31% of respondents said they had made a contribution to an arts or cultural institution in the last 12 months (Ipsos Mori, Capibus survey, May 2012)

### Background notes

Arts and cultural institutions are going through a critical shift. Arts Council England overall faces a 30% cut, and has sought to limit the cut to regularly funded arts organisations to 15%. The Arts Council still funds nearly 700 national portfolio organisations, and is investing in the sector to help cultural organisations diversify their income streams and access more funding from private sources.

### Quotes and endorsements for the National Funding Scheme

“The Arts world finds itself very much in a period of transition. The funding landscape is changing and, whilst there are still grants from the centre, Arts organisations need to urgently re-consider all options to build for the future. This platform presents an enormous opening to create a new, exciting and engaging approach to funding which allows the individual to donate how much they want, when they want and wherever they are.”

**William Makower, Managing Director of Panlogic**

“The country's Arts, cultural and heritage institutions need to develop easy ways for people to give them money. Digital is a great way to do this and I am very supportive of the plan to develop the National Funding Scheme to be available for all our cultural institutions. William Makower is leading on this initiative with the encouragement of many key organisations (National Trust, Arts Council, V&A, National Portrait Gallery, Heritage Lottery Fund and many others) and I shall be announcing more details at its launch at the beginning of July. This is an example of a private sector initiative that understands the need of our sector, and has the potential to encourage much wider giving as one of the ways of making the sector more sustainable.”

**Jeremy Hunt, Secretary of State for Culture, the Olympics, Media and Sport, June 2012**

“Thousands of people are moved and inspired by their experience of the arts; and enabling them to respond to that inspiration by giving – easily, immediately, and digitally – is an idea of genius. It has the potential to unlock the generosity of givers, and to provide real support for cultural organisations of all kinds up and down the country.”

**Rt Hon Lord Smith of Finsbury, Chairman, Environment Agency**

“The idea of a national funding scheme, expedited by cutting edge mobile technology, to reinforce our cultural institutions is ‘of the moment’ and deeply relevant for the UK. As a Foundation that supports both culture and innovative thinking we were delighted to fund this exciting initiative.”

**Lord Rothschild, The Rothschild Foundation**

“With the immediacy and connectivity of the mobile world it is crucial that anyone can make a digital donation in order to demonstrate what they felt about a great exhibition, a brilliant performance or an outstanding visit to a heritage site. We need to make this simple and available on a consistent basis.”

**Sandy Nairne, Director, National Portrait Gallery**

### About Panlogic

Established in 1999, Panlogic is an independent, digital consultancy providing independent guidance and leadership on strategic and digital business change. Clients include BIS, the OECD, International Energy Agency, Royal Borough of Kensington and Chelsea, London Councils and National Apprenticeships Service.

We call our work 'Digital Engineering'.

### Further information:

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