**Museums Association Submission to CMS Committee Inquiry: Countries of Culture**

**April 2016**

**Executive Summary**

* The future of civic museums – those that are run by local authorities or by independent trusts with close links to local authorities – is at risk as cuts to local authority spending on culture continue. 48 museums have closed in the UK since 2010 – more are set to follow.
* Reduced funding for museums is having a detrimental effect on audiences and the wider public. Many museums are reducing their opening hours, reducing public events and outreach work, and mounting fewer temporary exhibitions. The cuts are also damaging the important back-of-house and infrastructural roles in museums. This has included a loss of professional expertise; replacement of professional posts with unpaid posts; decreasing diversity of the museums workforce and museum audiences; sale of items from museum collections; and lack of funds for upkeep of museum buildings.
* Recognising the long-term changes in local authority finances, many museums have taken steps to increase their financial sustainability. They have invested in projects to help generate their own income, with support from ACE and HLF, including: seeking philanthropic support; improving commercial income; and establishing partnerships with local third sector organisations. However, such initiatives cannot entirely replace public funding for civic museums.
* Most civic museums work hard to deliver broader public benefits, such as health and wellbeing and social outcomes. It is important that museums continue to play an active social role. This work is at risk from funding cuts – but it also offers a way for some museums to diversify income and build new partnerships.
* We make a number of recommendations throughout this submission. However, priorities for government intervention should include:
  + A commitment from DCMS, ACE and national museums that they will endeavour to meet the cultural needs of all regions, including areas at risk of becoming ‘cultural cold spots’ due to a reduction in local government funding.
  + ACE or HLF should use existing resources to create a Community Engagement Fund which would support museums to work in partnership with community organisations, and to explore the feasibility of creating sustainable business models with communities.
  + The government should create a series of ‘Challenge Funds’, such as the Prime Minister’s Dementia Challenge, which would allow museums to deliver social impact while also diversifying income streams.
  + An Intervention Fund administered by ACE should be established to ensure that where museums are under threat of closure, there is resource to ensure that their collections are preserved and made available to the public. In particular, there is greater need to give formal protection to collections that are designated as being ‘of national importance’ under the ACE Designation Scheme[[1]](#footnote-1).
  + The government should provide clarity on how changes to Non Domestic Rate Relief will affect the finances of museums registered as charities, and ensure that museum buildings are appropriately valued when calculating rates.

**About the Museums Association**

* 1. The Museums Association is a membership organisation representing and supporting museums and people who work for them, throughout the UK. Members include all types and size of museum and over 7500 individuals working in the sector. The MA was founded in 1889, and is a campaigning organization that leads thinking in UK museums with initiatives such as *Collections for the Future*, the new *Code of Ethics for Museums* and *Museums Change Lives*. It receives no regular public funding.

**Why Value Museums?**

* 1. Museums preserve, protect and promote the nation’s collective memory, knowledge and history. They engage and work in partnership with the public to share stories, preserve and present a vast range of objects, works and specimens, bringing important cultural, educational, social and scientific ideas to life. Our museums play a role in enhancing health and wellbeing; creating better places to live, work and visit. They inspire present and future generations and are often loved and trusted public institutions; they provide joy, prompt reflection, and foster curiosity in the world.
  2. Museums continue to be highly popular with the public: 52% of English adults report visiting a museum in the past year, with increases in attendance recorded across all regions over the past decade[[2]](#footnote-2). The UK’s regions and nations have some of the best civic, independent and university museums in the world. The Museums Association believes that everyone in the UK should have access to a high quality museum in their area.

**Understanding the UK’s Museum Sector**

* 1. The UK has over 2500 museums, with a great diversity in terms of size, collections, funding and mission; these include:
  2. **Civic Museums (Local Authority** and **Trust** **Museums):** In total, there are approximately 700 civic museums in the UK. This category includes large regional museums such as Bristol Museums and Art Gallery and Leeds Museums, as well as many smaller museums run or financed with local authority support. The collections and buildings of these museums are usually wholly owned by a local authority and, in most cases, staff are directly employed by the local authority. There is a growing trend to contract out management of the museum (and employment of staff) to a specially created charitable company or trust, with a substantial portion of its funding being provided by the local authority, but increasing amounts raised from other sources; examples include Luton Museums and Birmingham Museums. Civic museums comprise the majority of Arts Council Major Partner Museums and many have received ACE strategic funding. Most, but not all, offer free admission.
  3. **National Museums:** There are 16 National Museums in England. The great majority are located in London. Only two are based outside London: the Royal Armouries (Leeds) and National Museums Liverpool. National museums receive significant central government funding, usually from DCMS. National museums are not eligible for most types of ACE museum funding. A further sub-set of national museums are military museums, which are in general supported by the Ministry of Defence.
  4. **Independent Museums:** These museums are usually constituted as charitable companies limited by guarantee. Examples include Dulwich Picture Gallery, the Mary Rose and many industrial and local museums. They tend not to have regular public funding, instead generating most of their income each year from a combination of trading, fundraising and admission charges – although some smaller independent museums offer free admission.
  5. **University Museums:** Examples include the Fitzwilliam Museum and Manchester Museum. In many cases the university receives special funding from the Higher Education Funding Council for England (HEFCE) towards some of the costs of the museum. Some university museums receive Arts Council strategic funding; a few are Major Partner Museums.

**Civic Museums in Crisis**

* 1. Many civic museums are under severe financial pressure. The main factor is the reduction of cultural funding by local authorities. DCLG figures show a decrease in spending on culture by local authorities in England of £236m since 2010[[3]](#footnote-3). Scotland, Wales and Northern Ireland have also seen substantial cuts.
  2. As non-statutory services, museums can be seen as ‘expendable’ or an easy target for budget cuts, particularly when judged against local authorities’ statutory responsibilities. This has contributed to the funding problems that many museums face.
  3. Museum closures have been the most public expression of the crisis facing civic museums. In total, at least 48 museums have closed in the UK since 2010[[4]](#footnote-4). The majority of these have been caused by public funding cuts. We expect the number of museums closures to grow in the next few years. More museums than ever before are under threat of closure including those in: Lancashire, Kirklees, the London boroughs, Dudley, and Sunderland. Less prosperous areas are feeling the brunt of the crisis in museum funding.
  4. Museum collections are at risk when museums close. The proposed closure of five museums in Lancashire with no plans for the future of the collections demonstrates this. In particular, it highlights the limits of the ACE-adminstered Designaton Scheme, which supports museums holding collections deemed to be ‘of national importance’. National funding needs to be made available to ensure that such collections continue to receive adequate care and are accessible to the public.
  5. Many civic museums are facing severe short- and long-term challenges. These include: **decreasing capacity to deliver quality public services; loss of professional expertise; replacement of professional posts with unpaid posts; decreasing diversity of the museum workforce and museum audiences; loss of schools engagement and other social outreach work; sale of items from museum collections; and lack of funds for upkeep of museum buildings**[[5]](#footnote-5).
  6. An additional risk facing museums that are constituted as charities (which includes many civic museums) are the changes being made to Non-Domestic Rate Relief. At present, UK charities benefit from 80% mandatory rate relief on their properties and 75% benefit from additional discretionary relief. Some museum already report this relief being cut, and many fear further costs as business rates become a more important source of local authority income under the local authority funding settlement announced in the CSR. Many museums are also concerned that the banding for their rates has been wrongly applied[[6]](#footnote-6).
  7. National museums in England have had their funding protected over the current parliament. Those in London are also particularly well placed to generate income from philanthropy, corporate sponsorship and tourism. They continue to enjoy substantial success, both in terms of finances and visitor numbers.
  8. University Museums have experienced some cuts in support from their parent universities in recent years; they risk much greater cuts if HEFCE funding is withdrawn.

**Government Response**

* 1. In the past year, the government has begun to acknowledge the challenges facing museums. The 2015 Spending Review saw the protection of budgets for the national museums and Arts Council England. However, it also saw continued substantial cuts to local authority funding, which will put additional pressure on museums in the regions over the next four years.
  2. The Treasury has announced the introduction of two new tax reliefs for museums – one for temporary exhibitions, and one extending the VAT refund for free to enter national museums to all free to enter museums. Both of these welcome but neither will have a transformational effect on museum finances. Ongoing Gift Aid reform may also help to increase museum income, particularly for smaller museums.
  3. Arts Council England has introduced a Resilience Fund (£30m over 2015-18)[[7]](#footnote-7). This has been the primary source of public funding to help museums become more financially sustainable, and has supported many improvements. This has been extremely welcome. However, ACE’s strategy of supporting only those local authorities that commit to continued investment in culture risks leaving some areas devoid of cultural provision, particularly where cuts have been most severe. The proposed closure of five museums in Lancashire is an example of this.
  4. National museums have supported regional museums in a number of ways: through training and research partnerships; loan programmes; and support for Subject Specialist Networks. However, whilst national museums are protected and regional museums have funding reduced, national museums need to play a greater role in supporting museum provision in the regions.

**Ways Forward**

Maintaining a Social Role for Museums

* 1. The Museums Association’s Museums Change Lives campaign[[8]](#footnote-8) sets out how all museums can make postive social impact in areas such as health and wellbeing, place-making, and inspiring people. It demonstrates that museums can be actively engaged with their communities, while also generating new income streams. It is important that museums do not lose sight of their public and social role in the drive to greater financial sustainability.
  2. **Recommendation**: Funding agencies should regard supporting this work as a priority. ACE or HLF should use existing resources to create a Community Engagement Fund which would support museums to work in partnership with community organisations, and to explore the feasibility of increasing community investment in civic museums. It should refer to the findings of the Our Museums project by the Paul Hamlyn Foundation, which showed how community participation in museums can help foster civic engagement and participation in civil society[[9]](#footnote-9).

Health and Wellbeing Partnerships

* 1. Partnerships with health and wellbeing organisations have proved to an interesting relationship for museums in recent years. Many museums now operate programmes for people with dementia and their carers. One of the highest profile is the House of Memories at National Museums Liverpool, which supports carers through a range of events and object handling sessions. It is funded by local Health Trusts and Care Commissioning Groups[[10]](#footnote-10). The concept of ‘cultural commissioning’, in which public sector organisations commission museums to deliver specific health or social outcomes, is growing in popularity.
  2. **Recommendation:** Strategic funds to support partnership working across government agencies and local authorities to deliver on specific policy goals (such as the Prime Minister’s Challenge on Dementia) would be an effective and targeted use of public investment. The DCMS/Department for Education Strategic Commissioning model could be replicated across other public policy priorities[[11]](#footnote-11). This sort of funding is important to museums whose fixed costs can make it difficult to find space in budgets to begin this sort of work.

Place-making

* 1. The contribution that museums make to ‘place-making’ was recognised in the government’s recent White Paper on Culture. Museums are rooted locally and provide a sense of place through their activities within and outwith the museum building. Museums can play a key part in making people want to live, work, visit or invest in a place.
  2. **Recommendation:** There is an opportunity to greatly increase the use of Section 106 planning requirements to support local cultural provision. The development of the Challenger Tank Plaza at the Discovery Museum in Newcastle, which brings a key exhibit into the community and provides a focal point for discussion of local military history, has been made possible because of a strategic use of the requirements in planning regulation Section 106.
  3. **Recommendation:** Larger civic museums should be fully represented in Local Enterprise Partnerships and culture should be fully integrated into town or regional economic plans to enable museums to play an important role in local development and place-making. This has already occurred in the New Anglia LEP, which includes a Cultural Board, allowing both business and civic leaders to take advantage of the economic impact culture can have in Norfolk and Suffolk. It also enables cultural bodies to receive funding to further boost their role in regional cultural tourism.

Higher Education Partnerships

* 1. Museum collections contribute to university research, teaching and sharing expertise. Universities are also placing much greater emphasis on public engagement (including as a requirement of the Research Evaluation Framework, which is presently being reviewed) and on ensuring their locality is attractive to prospective students and staff. The Royal Pavilion & Museums (RPM) has a memorandum of understanding with Brighton University and has recently appointed the joint post of Keeper and Lecturer of Design History. The purpose of the role is to develop the potential of RPM’s collections to support teaching, learning and research, and for collections-based scholarship to reach a wider audience through RPM. There is scope to increase this kind of partnership.

Business Innovation

* 1. Many local authority and independent museums have adapted their business models in order to become less reliant on public funding and to maximise alternative sources of income including: increasing income from shops, cafes and event hire; providing art and museum advisory services; establishing health and wellbeing partnerships with local health providers; and commercializing the Intellectual Property of the museum.
  2. Many museums, such as Museums Sheffield, have also sought to increase their philanthropic income although many museums outside London report finding this difficult. Some museums have successfully raised funds for exhibitions from international sources.
  3. **Recommendation:** Many museums have benefited from seed-funding from the public sector to drive commercial projects or to attract additional investment. For example, the Yorkshire Sculpture Park received Arts Council seed-funding that allowed it to invest in a new car park which generates substantial amounts of revenue. Seed-funding for revenue-generating projects should continue to be made available through both ACE and HLF.

Charging

* 1. A small number of museums have introduced entry charges, including York Art Gallery and Brighton Museums.
  2. **Recommendation:** The Museums Association recognises the mixed nature of the museums sector in the UK, in which some museum charge, while many are free. However, we believe that free museum access should be maintained where possible given the wide range of social and public benefits that museums deliver. The introduction of charging would not resolve the current financial situation that many museums face. For example, Derby Museums Trust estimates that the introduction of an entry charge would bring in a maximum of 10% of their current annual costs, while having a damaging impact in diversity of audiences and overall attendance.

Lottery Funding

* 1. Many new museums and museum upgrades have been financed by the HLF. This is in keeping with the additionality principle – that lottery funding will not be used to finance running costs, but will provide funding for ‘additional’ activities and capital projects.
  2. **Recommendation:** We believe that it is important to maintain the additionality principle as far as possible. However, we need to prioritise making the most of the museums we have, rather than new building projects, in the coming years.
  3. **Recommendation:** Lottery funding from the ACE-administered Arts Lottery has been shown to be spent disproportionately in London and in wealthier areas of the UK[[12]](#footnote-12). We believe that lottery spending should bear a closer relation to the regions where lottery funding is raised, and that museums in areas of low lottery funding take-up should be supported to prepare bids.

Diverse Audiences

* 1. While many museums have made progress in attracting audiences from different backgrounds, museum audiences remain disproportionately white and middle class. We believe that no-one should feel that that a museum “is not for them”.
  2. **Recommendation:** ACE should develop an audience development fund targeting areas of low participation, building on existing work that it has supported. For example, Birmingham Museums Trust has used ACE funding to develop its Faith in Birmingham Gallery through engagement with local interfaith leaders and volunteers, responding to audience research that said museums should be safe spaces in which people can explain their differences to each other.

Diverse Workforce

* 1. In order to engage a wider audience demographic, museums should be supported to create diverse programming and recruit a diverse workforce and Board of Trustees.
  2. **Recommendation:** Apprenticeships have been under-utilised by museums. Additional support and targets could be a catalyst for change. DCMS or ACE could support a package that would encourage the uptake of apprenticeships; support practice that encourages diverse recruitment and provide in-house and cross-organisation training opportunities to foster cultural change. HLF’s *Skills for the Future* programme, has had some success in providing more accessible work-based training. The programme could be developed to encourage diverse recruitment and open up entry routes into the sector. It could also be used to foster support for the current workforce with training programmes aimed at Equality, Diversity and Inclusion.

1. <http://www.artscouncil.org.uk/supporting-collections-and-archives/designation-scheme> [↑](#footnote-ref-1)
2. <https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/438442/Taking_Part_2014_15_Quarter_4_Report.pdf> [↑](#footnote-ref-2)
3. <http://www.nlgn.org.uk/public/wp-content/uploads/Funding-Arts-and-Culture.pdf> [↑](#footnote-ref-3)
4. <http://www.museumsassociation.org/campaigns/funding-cuts/19062013-museum-closures-map> [↑](#footnote-ref-4)
5. <http://www.museumsassociation.org/campaigns/funding-cuts/cuts-survey> [↑](#footnote-ref-5)
6. <http://www.museumsassociation.org/museums-journal/news/19082015-york-museums-trust-calls-for-changes-to-business-rates> [↑](#footnote-ref-6)
7. <http://www.artscouncil.org.uk/funding/museum-resilience-fund> [↑](#footnote-ref-7)
8. <http://www.museumsassociation.org/museums-change-lives> [↑](#footnote-ref-8)
9. <http://www.phf.org.uk/programmes/our-museum/#about-the-initiative> [↑](#footnote-ref-9)
10. <http://www.liverpoolmuseums.org.uk/learning/projects/house-of-memories/> [↑](#footnote-ref-10)
11. https://www.gov.uk/government/uploads/system/uploads/attachment\_data/file/260727/Cultural\_Education\_Govt\_response.pdf [↑](#footnote-ref-11)
12. <http://www.gpsculture.co.uk/place.php> [↑](#footnote-ref-12)