

NMDC response to the Call for Evidence exploring the current balance across society lotteries, The National Lottery and competing gambling products in raising funds for good causes and maintaining player protection

This response is submitted on behalf of the members of the National Museum Directors' Council (NMDC). The NMDC represents the views of the leaders of the UK's national collections and major regional museums. For a full list of members and further details about the work of the NMDC, please see www.nationalmuseums.org.uk.

1 Summary

1.1 Museums have been significant beneficiaries of National Lottery good causes: primarily from the Heritage Lottery Fund (HLF), but also from Arts Council England (ACE) and the Big Lottery Fund. Every single member of the NMDC has received significant investment from the Heritage Lottery Fund, be it for major capital development, acquisitions, major projects or as investment in workforce skills. Furthermore, investment by one of the lottery distributors then levers in significant additional funding, as they are known to be a trusted and reliable funder.

1.2 Nevertheless, museums are also beneficiaries of the money raised for good causes through the society lotteries, particularly through the People's Postcode Lottery. Society lottery funds are of a considerably smaller order of magnitude than many of those distributed via the HLF or ACE. Therefore, these tend to be used to fund important one-off events, such as conferences, exhibitions and educational activities or as a contributor to a project. Society lottery funding can extend normal revenue funding in important ways and can be accessed for shorter-term projects for single institutions, to achieve very specific outcomes, or for applicants to undertake work which has a higher level of risk.

1.3 Therefore, it is important that the regulatory framework for the National Lottery and the society lotteries allows both to develop in their quite different ways. It should allow the National Lottery, and their good causes, to remain as the single and trusted National Lottery which is able to generate significant income for the lottery distributors. However, there also needs to be a place for the society lotteries to allow them to develop specific products which are generating crucial project funds for the museum sector.

2 Investment of lottery funds in museums

2.1 Investment by the HLF and ACE has completely changed the museum and galleries sector in the UK. Since 1994, the standard of the buildings in which museum and gallery collections are displayed and stored has improved beyond almost beyond measure. The investment has been made across the UK, and in national museums, community projects, specialist collections and regional museums of all sizes. This has led to a significant increase in public attendance and participation in museum, gallery and heritage projects, most recently demonstrated by the significant public engagement with activities to mark the Centenary of the First World War.

2.2 Since 1994, HLF has awarded:

- £1.84bn to 3,106 projects benefiting over 1,100 museums and galleries in the UK;

- £532m to the DCMS-funded museums and galleries, of which £424.2m is to the 14 national museums and galleries in England, £79.7m to national museums and galleries in Scotland, £28.4m to national museums and galleries in Wales and £5.2m to national museums and galleries in Northern Ireland;
- £142.8m focusing on 124 projects in Designated Collections in England¹ and £22.1m to 22 projects in Significant Collections in Scotland;
- £1.3 billion to 798 projects involving the construction and refurbishment of museum & gallery buildings;
- £181.4m to 521 projects for the acquisition of portable heritage by museums and galleries;
- £278.4m to 968 collections projects such as exhibitions, interpretation, collections management, learning programmes and outreach.¹

2.3 Examples of some of the projects supported by the lottery good causes includes:

- Ahead of the commemoration of the Centenary of the First World War, the Imperial War Museum in Lambeth underwent major capital works to repair the fabric of the building, open up the Atrium and completely refurbish the First World War galleries. The work was supported by a £4.5m grant from HLF, which was part of £60m of Lottery funding to support activities to mark the Centenary across the UK.
- The Whitworth Art Gallery at the University of Manchester re-opened on 14th February 2015 after a £15m refurbishment to transform the gallery by doubling its size and creating new spaces. £8m came from the HLF. There were 18,000 visitors to the Whitworth on the re-opening weekend: the number the gallery would expect to receive in a month.
- HLF will provide £9.4m to the rebuilding of the Windermere Steamboat Museum in Cumbria (due to open 2016).
- HLF investment enables museums to develop their practice in new ways and to address new challenges for meeting the needs and requirements of their audiences. Beamish is developing plans for a centre onsite which will help develop how the museum can work with visitors with dementia (and their families) as part of their development of a 1950s element to the site. They have received a £10.75m first-stage pass, which provides the foundation from which they can develop the project and seek additional funding.
- The investment from both ACE and HLF across the UK allows a much greater degree of partnership working to take place across the sector. Improved facilities, public interest and capacity building within the workforce has allowed cross-UK networks to become established. One is Plus Tate, where members have benefited from investment in re-developing existing museums and galleries, creating new ones (such as the Turner Contemporary in Margate) and in on-going projects such as touring exhibitions and acquisitions. A recent report by Tate illustrates the impact on regeneration the members of the Plus Tate network has had.¹
- The V&A has developed its buildings and collections significantly since 1996, and HLF funding has provided significant support to enable the Museum to achieve this. Since 1996, HLF has committed £62,446,410 to the V&A. This includes: £15m towards the redevelopment of the British Galleries in 1996; £149,833 to acquire the Castlereagh Inkstand in 2003; £157,500 for the Staying Power Black Archive Project in 2008; and £4,999,000 for the Exhibition Road building in 2013. Most recently, HLF committed £2m to enable the purchase of the Wolsey Angels.

2.4 The scale of the investment from the HLF and ACE has changed the UK museum sector beyond recognition in 20 years: museums have never been so popular and the reputation of UK museums across the world has never been higher. 49 million visits were made to the museums sponsored by DCMS in 2013/14 and the Taking Part survey suggests 53% of adults visited a museum or gallery in 2013/14 (the highest figure since the survey began in 2005/6).¹

3 Strategic approach and regional understanding

3.1 The HLF is embedded within the museum and heritage sectors and therefore understands their long-term strategic requirements. Because of the significant funds they have available to them, they are able to take a long-term and strategic approach to their investment. Funding has not only been provided for significant capital redevelopment, but also strategic projects, such as Collecting Cultures. Collecting Cultures encourages collections, or consortia of collections, to acquire new objects and develop public engagement plans for these. Recipients have included national museums, such as National Museums Northern Ireland, and smaller volunteer-run museums, such as the Fry Art Gallery in Essex.

3.2 The scale of investment made by the Heritage Lottery Fund has enabled them to maintain a regional presence across the UK. They have developed region-specific expertise and are a crucial part of the museum and heritage sector in each region and enables them to support museums of every size and scale.

3.3 Levels of public funding to museums have significantly decreased since 2010. The investment by HLF and ACE, through schemes like Catalyst, is helping museums build the capacity to allow them generate a greater proportion of their income. The Cornwall Museums Consortium was created in response to cuts to their revenue funding from Cornwall County Council, as the six museums¹ sought to work more closely together and use available resources more efficiently. They successfully applied for Catalyst funding from the HLF to enable them to establish a way of working together, which would achieve this and allow them to fundraise and secure contracts as a consortium. From 2015, they will become one of ACE's 21 Major Partner Museums and have also secured the contract to provide services to encourage children and young people to participate in arts and culture in the South West.

3.4 Similarly, the HLF is able to invest in supporting the museums and heritage sector meet new or ongoing challenges. One of these is ensuring a suitably skilled workforce. HLF has funded around 22 projects with a value of over £12m that have supported the development of museum skills. Of these, 12 were museum and gallery projects. In addition, over 150 museum and gallery projects have provided over support for the development of other skills. HLF Skills for the Future programme allowed the museum sector to provide training and development programmes which specifically matched the skills requirements of the sector. An ongoing project is led by the British Museum. The British Museum worked with five regional museums to provide five trainee curator posts, and will repeat this from 2014, focusing on collections management.

3.5 Lottery funding distributed via HLF allows museums to acquire objects, and allows museums to make significant acquisitions - of either of national or local importance - and retain these in public ownership. [Five collections](#) - Tate, National Galleries of Scotland, National Museum Wales, Salisbury and South Wiltshire Museums, and Colchester and Ipswich Museums - are all displaying the newly acquired Constable *Salisbury Cathedral from the Meadows* (bought with support from the HLF) and support the display with a programme of events.

4 Society lotteries

4.1 Museums are also beneficiaries of the good causes funding raised through society lotteries. The society lotteries are seen as very different sorts of funders. Society lottery funds are of a considerably smaller order of magnitude, and therefore tend to be used to fund important one-off events, such as conferences, events or exhibitions. The following amounts have been allocated to museums to date from the good causes income generated by the People's Postcode Lottery: National Galleries Scotland has received £891,513; National Museum Wales has received £300,000; National Museums Scotland has received £400,000;

the Science Museum Group has received £400,000; and the V&A Museum of Design at Dundee has received £300,000.

4.2 Although of a smaller order of magnitude these funds are proving increasingly important. Society lottery funding can be accessed for shorter-term projects for single institutions, to achieve very specific outcomes, or for applicants to undertake work which has a higher level of risk. As Arts Council England and the Heritage Lottery Fund have to take a much longer-term strategic view, it is very unlikely that they would be able to fund such projects, and therefore society lotteries are meeting a different funding need within the museum sector (and an increasing need given the reduction in discretionary funding by local and central Government).

4.3 The two very different roles the National Lottery and society lottery good causes investment is best illustrated by how both the HLF and the People's Postcode Lottery have supported the V&A Museum of Design at Dundee. The HLF has committed £12.5m to the capital project to build the new Museum, and the People's Postcode Lottery has provided the funding to support the V&A touring exhibition *Design in Motion* (the centrepiece of which is a bus which tours to venues around Scotland and London to raise awareness of plans for the new museum).

5 Changes to regulatory framework

5.1 It should therefore be ensured that there is the regulatory framework in place to ensure room for both society lotteries to operate in the manner they were intended in the 2005 legislation; and that the National Lottery remains the single, trusted and recognised lottery, protected from unintended competition. This will allow society lotteries to continue to perform their important role in raising funding for specific good causes, and ensure the revenue to the National Lottery good causes remains at the present level to continue the long-term strategic investment in the museums and heritage sector (via the Arts Council England and the Heritage Lottery Fund). The sector is undergoing a more significant period of change than at any point in the past 20 years, it is vital to its continued health that the National Lottery good causes income is not endangered.