

NMDC submission to Culture, Media and Sport Select Committee Inquiry on the Impact of Brexit on creative industries, tourism and the digital single market
October 2016

1. Executive summary

- 1.1 Museums play a key role in supporting the UK's creative industries and tourism. As the UK's most popular visitor attractions they make a vital contribution to the tourism economy – in 2013/14 there were over 21.75 million overseas visitors to the DCMS-sponsored national museums alone. Museums also provide a rich source of inspiration for the creative industries through their world-class collections and a showcase for promoting UK art, design and innovation to audiences across the UK and around the world.
- 1.2 This response focusses on three areas of the Inquiry that are relevant to museums – employment, copyright and EU funding. Whilst it is difficult to give concrete predictions of the likely impacts given the current uncertainty over many aspects of the UK's exit from the EU, we have highlighted here some of the key concerns for NMDC members.
- 1.3 Employment: UK museums employ large numbers of EU staff across all aspects of their operation, in both expert and museum specialist roles as well as in front of house and customer service. Uncertainty over the future of EU citizens in the UK is therefore of serious concern for the sustainability and effective operation of the UK museum sector, as well as for museums' ability to attract and retain international talent.
- 1.4 Copyright: there are three main challenges for copyright management in museums posed by the EU Exit: sharing records of orphan works; securing the copyright exceptions proposed within the Digital Single Market Directive; and maintaining the trend of altering copyright legislation, which assists in the care of public collections and providing public access to these.
- 1.5 Funding: UK museums currently benefit from a wide range of EU funding streams, both specialised and more general, and the loss of access to these funds will have a significant impact on future museum projects and activity. ERDF funding has been crucial for many major museum development projects in deprived areas, and the loss of specialist funding for creative programming, international partnership working and scientific research is also a major cause of concern for the sector.

2. About the NMDC

- 2.1 This response is submitted on behalf of the National Museum Directors' Council (NMDC). The NMDC represents the leaders of the UK's national collections and major regional museums in England, Northern Ireland and Scotland, the British Library, the National Library of Scotland, and the National Archives. While our members are funded by government, the NMDC is an independent, non-governmental organisation. For more information on our activity and a full list of members see our website: www.nationalmuseums.org.uk

2.2 NMDC would be happy to provide further details on any of the issues raised in this response. We would also welcome the opportunity to advise the Committee on other aspects of Brexit that will affect NMDC members and the wider museum sector, such as legislation covering the trade and movement of cultural property and likely impacts on international museum partnerships and collaboration.

3. Employment

Will the UK be able to attract and retain talent from across the world in order to maintain its high reputation in these industries?

The travel and tourism industry is particularly labour-intensive and many positions are currently filled by EU nationals. To what extent will UK citizens be willing and able to fill these (often seasonal and low-paid) jobs?

3.1 UK museums employ large numbers of EU staff across all aspects of their operation, in both expert and museum specialist roles as well as in front of house and customer service. It is difficult to assess exact numbers since data on nationality is not routinely collected, but for some museums – particularly larger ones – up to 15% of the workforce are EU nationals. Uncertainty over the future of EU citizens in the UK is therefore of serious concern for the sustainability and effective operation of the UK museum sector.

3.3 Of particular concern is the future ability of museums to attract and retain international talent in expert and museum specialist roles – often requiring very specific skills and knowledge that can only be found by recruiting internationally – and thus their ability to remain successful and internationally competitive. The current earning threshold for non-EU migrants of £35k would exclude many specialist roles in the museum sector, where pay is typically low.

3.4 Many UK museums also employ large numbers of EU citizens in front of house, customer service, catering and seasonal roles. Uncertainty over their future is of particular concern for museums which attract high numbers of international tourists, for whom a multi-lingual, multi-cultural workforce is a key asset.

3.5 In addition to the practical challenges posed by Brexit, uncertainty over the future residency status of EU citizens is already having a negative impact on staff morale. There are also concerns around the negative impact on international perceptions of the UK as a welcoming and attractive place to live and work acting as a deterrent to potential future employees.

3.5 Changes to the free movement of people and visa requirements could also have potentially negative impacts on the ability of museum staff to travel internationally and for international experts to visit the UK, impacting on international collaboration and reputation.

4. Copyright

While the Intellectual Property Office has stated that the position on trademarks, designs, patents, copyright and enforcement remains the same until exit negotiations are concluded, what should happen in relation to Copyright after the UK leaves the EU?

4.1 There are three challenges to copyright management in museums posed by the EU Exit:

- Sharing records of orphan works.

- Securing the copyright exceptions proposed within the Digital Single Market Directive.
- Maintaining the trend of altering copyright legislation which assists in the care of public collections and providing public access to these.

There may other implications relating to the EU trademark and publishing rights, but this is currently unclear.

- 4.2 Orphan works are works in public collections where it is not possible to trace or attribute rights ownership. The provisions of the Orphan Works Directive provide a process to legally use some types of orphan works and therefore enable museums to conserve these and make them available to the public. Although the provisions of the Orphan Works Directive are likely to remain in legislation, it is unlikely that the UK will have access to the Orphan Works Database. When a due diligence search has been completed for an orphan work, museums, libraries and archives in EU Member States can record the existence of their orphan work and details of their search on the database. Museums across the EU can therefore check the database before commencing a search, thus saving time and resources, but also increasing the chance of finding rights holders. For the UK to continue to have access, it is likely a financial contribution would have to be made.
- 4.3 The copyright provisions in the proposals for the Digital Single Market would enable greater public access to UK museum collections – particularly for disabled users – and provide important exceptions to enable museums to conserve objects in their collections without having to first clear copyright. The latter is important if a work or object requires emergency conservation to stabilise it, where to delay would place the work or object at greater risk.
- 4.4 The European Commission has led the updating of copyright legislation over the past 15 years, and has also led work to provide specific legislation recognising the unique requirements of public collections. Copyright Exceptions, transposed into UK law in 2014 to allow measures to increase public access and format shift works for preservation, are an example of changes which have assisted museums and ensures legislation is no longer format or type specific.
- 4.5 Greater harmonisation of copyright legislation across the EU has helped UK museums because of the international nature of UK museums’ work and the practicalities of creating digital assets. Future divergence will make the management of copyright more resource intensive and may restrict the degree to which museums can work with European partners on research, digital projects and public engagement.

5. Funding

What will be the impact of the loss of European Union funding, both specialised (such as the Creative Europe fund) and more general (such as the Regional Development Fund). Will the UK Government replace these? Can tax exemptions or private sponsorship fill the gap?

- 5.1 Museums of all types across the UK currently benefit from access to many different EU funding streams, both specialised and general. Given their diversity is difficult to fully assess the potential impact of the loss of access to these funds across the sector. However, many of these funding streams – such as ERDF or Horizon 2020 – have provided substantial and specific funding for museums that cannot be replaced by other sources such as tax exemptions or private sponsorship.
- 5.2 The European Regional Development Fund has been a unique and substantial source of funding for many UK museums and will bring £2.9bn to the English regions in 2014-20.

Many major museum developments such as Imperial War Museum North and the Museum of Liverpool would not have been possible without ERDF funding. Future cultural regeneration in deprived areas could be seriously inhibited without access to the EDRF.

- 5.3 Since the ERDF is aimed specifically at areas of deprivation and historic underinvestment, the loss of access to these funds will exacerbate existing economic challenges for some museums. In many cases these are areas already suffering from drastic declines in local authority funding, where the devolution of business rates – which will disproportionately affect poorer areas – will be most strongly felt, and where raising income from philanthropic and corporate sources is more of a challenge and cannot replace such substantial amounts of public funding.
- 5.4 The Creative Europe Programme has contributed over £40m of funding to arts and cultural projects in the UK since 2014. Although the majority of funding has been to arts organisations rather than museums, several museum projects have benefitted such as the Museum of Archaeology and Anthropology in Cambridge and National Galleries Scotland. Creative Europe also encourages museums to share skills and ideas across Europe, and helps cultural organisations to access other EU funding sources. Since current legislation allows non-EU countries – such as Iceland and Norway – to participate in Creative Europe, NMDC would urge the UK government to consider the option of continuing to contribute to the programme after the UK leaves the EU.
- 5.6 The UK benefits from substantial funding for scientific research through the Horizon 2020 programme. Although universities are the principal beneficiary of this funding, museums have also benefitted: between 2011-12 and 2015-16 the Natural History Museum received over £4.6m in science grant income from the EU. Uncertainty over the future of the UK's commitment and status is already jeopardising the involvement of UK institutions in collaborative international science and research projects.
- 5.7 Museums around the UK also benefitted from other specialist EU funds such as INTERREG (Norfolk Museums Service) and environmental protection subsidies (Beamish). As with other funding streams, the specificity and amounts of this funding mean it cannot be easily replaced by other public funding sources or private sponsorship.