

Culture White Paper 2016: museum sector submission

This submission is made on behalf of sector bodies representing and supporting museums across the UK including national, civic, independent and university museums:

- *Art Fund*
- *Association of Independent Museums*
- *Collections Trust*
- *Museums Association*
- *National Museum Directors' Council*
- *University Museums Group*

A technical note explaining the different elements of the museum sector and some of the terms used in this submission is at page 22.

Executive summary

Jennie Lee's White Paper, *A policy for the arts*, remains a seminal document and the basis for much national government policy. That paper articulated the importance of providing access to culture for all across the whole country. It also reinforced the importance of the arms-length principle for cultural organisations: that “no-one would wish state patronage to dictate taste or in any way restrict the liberty of even the most unorthodox and experimental of artists”. The 2016 White Paper should celebrate the spirit of its 1965 predecessor: that Government should create the conditions and provide the means for culture to flourish; that it be run at arms-length to Government; and that no person should feel intimidated or excluded from the arts, museums or galleries based on their location, personal circumstances or background.

This paper urges the Government to do the following:

- **Create the conditions for museums to flourish, by ensuring they are adequately resourced and able to operate in a way which maximises their impact, accessibility and ability to preserve the nation's heritage.**
- **Champion the work museums do and the significant impact that it has on public policy priorities locally, nationally and internationally.**
- **Ensure the whole museum sector has a more sustainable financial base and promote, incentivise and support initiatives to achieve this.**
- **Encourage and incentivise the means by which museums can ensure the greatest public access to their collections and programmes.**
- **Promote and incentivise the role of museums in place-making to LEPs, local authorities, businesses and communities.**
- **Champion and support national and non-national museums' international work and its impact on diplomacy, trade and tourism.**
- **Create a robust cultural heritage infrastructure and sector framework to support museums and collections with significant long term challenges**
- **Seek to create a tax system which encourages philanthropy and ensures museums can most effectively use the income they earn for charitable purposes**

Overview

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 unite the past, present and future and can enhance health and wellbeing; make places more attractive to live, work and visit; and create positive local identities. They inspire this and future generations of pioneers, designers, makers and community leaders. Museums are loved and trusted public institutions; they provide joy, prompt reflection, and foster curiosity in the world around us.

Museums simultaneously serve a local, regional, national and international audience, as well as an audience online who may never cross the threshold. As collections-based institutions, museums serve a public past, a public present and a public yet to be born.

There are 1312 Accredited museums in England, including 16 national museums and 74 museums hold Designated Collections (collections of national significance not held in a national museum). These museums are incredibly diverse, and the sector is a complex and mutually dependent ecology of national museums, civic museums (where the collection is publicly owned), independent charitable trusts and collections managed by universities. This diversity is a strength: it mirrors the diverse culture and history of the UK, provides a wide offer to the public and presents a broad definition of culture that includes arts, science and history. UK museums enjoy an international reputation for the excellent quality of their interpretation, displays and public engagement which is reflected in their visitor numbers. Visitor numbers have never been higher: in 2014-15 there were over 71 million visitors to the UK's national and major regional collections alone. However, the museum sector has not been immune to public funding cuts. One of the greatest challenges facing the sector is how to ensure the continued success of regional and civic museums as local authorities play a decreasing role in the funding of museums (some of which have already closed).

The sector uses comparatively modest sums of public investment to make a significant impact on public policy priorities. Museums are able to have this level of impact and enjoy this degree of popularity because of three elements: their collections, their staff and volunteers' expertise, and their buildings.

DCMS

The role of DCMS is to protect the nation's heritage for this and future generations and to create the conditions for museums to flourish: to be sustainable, relevant, accessible and excellent. DCMS is of greatest assistance to museums when it champions the work of the sector and the impact that it has across Whitehall, local government and to stakeholders nationally and internationally and finds opportunities to further support it. The settlement for DCMS's sponsored museums and Arts Council England in the 2015 Comprehensive Spending Review demonstrated that central Government values museums, but DCMS needs to find ways to address the serious funding threat to civic museums.

Arts Council England and Heritage Lottery Fund

Museums enjoy good relationships with both Arts Council England and the Heritage Lottery Fund. Both organisations are embedded within the museum sector allowing them to develop a thorough working knowledge of the sector which informs their evolving strategies and this should continue. The increasingly coordinated approach between the two organisations is of benefit to the whole sector and should be encouraged by DCMS. The two organisations should work strategically together in developing their support for museums. The distinction between what the two bodies will fund – and the maintenance of the “additionality” principle for lottery funds – is helpful, though both will continue to need to be adaptable as the funding environment changes, as well as wider social, economic and technological changes.

Future opportunities and challenges

For the sector to be able to maintain its present vitality and meet future opportunities and challenges, it needs to maintain a series of characteristics:

- Enterprising and financially sustainable
- Excellent and meaningful public engagement and high, widely adopted standards of collections care and development
- Places of innovation, reflection, inspiration and study
- Rooted within their communities
- Central to place-making and well-being
- Managed by a diverse workforce and attracting a diverse audience
- Well networked with local, national and international partners (within and beyond the museum sector)
- Maximising its contribution to the UK's soft power.

To achieve these, the impact museums have on people, place and the wider world needs to be fostered and sustained; and each element of the sector needs to be sustainable.

However, as the sector looks to the future there are a number of challenges to be met. These are:

- To develop sustainable museum operating models which seek greatest value from stable sources of public investment, and are supported by a tax, planning and economic development structure that maximizes their positive impact on people and places.
- To be staffed by a diverse workforce and attract a diverse audience
- To meet the opportunities and expectations arising from the rapid advance in digital technology.
- To seek strategic solutions to collections care and development to best protect the nation's heritage for future generations.
- To play a full role in the civic and community realm, and maintain relevance in an increasingly globalized world.

Working in partnership

Achieving all four of the aspirations of the Culture White Paper – people, place, sector health and international – depends on the development of partnerships. Museums of all sizes and types work in partnership to deliver almost any aspect of a museum's operation. The most successful partnerships are those that are given time to develop, are mutually beneficial, and respond to identified needs of audiences or museums themselves.

National museums have a range of different models for partnership working, and with museums of all scope and size. National partnerships can be adaptable to the needs of the wider sector, and increasingly focus on the sharing of skills, resources and knowledge, as well as the sharing of collections.

Working in partnership is also a core part of the work of local and regional museums, and the formation of regional or subject-specific partnerships between museums has long been beneficial. There is nevertheless scope for growth and an increasingly strategic approach. For museums to continue to make an impact on people, place and international relationships it is necessary for them to develop partnerships beyond the museum sector and within public policy areas in which museums have notable impact.

The remainder of this submission outlines the means by which the Government could support museums to maintain the characteristics required to meet future challenges; maintain its present vibrancy, popularity and success; and maximise the impact on place, people and the wider world.

1 Place

Museums are central to place-making. As a physical building with a collection that documents the history and human achievements of a place or subject, they are a critical part of the civic infrastructure. As museums are popular because of the quality of the collections and public engagement, they are a significant contributor to what makes a place attractive to live in, work in and visit. Museums foster curiosity and creativity, and create a local environment which helps attract and retain workers. Museum and gallery-led regeneration has revitalised local and regional economies across the UK by attracting visitors. The most popular tourist attractions in England are museums, with tourists visiting museums the length and breadth of England. 50% of Beamish's visitors travel from outside the North East; 60% of Ironbridge Gorge Museums' visitors stay overnight in the area; and 67% of visitors to Penlee House in Penzance do not live in Cornwall.

Role for Government

There is a wide understanding of the importance of museums to the community, economy, and cultural branding of a place. However, there are challenges ahead in this area, and we believe that the Government should:

- Ensure **culture is fully integrated into local enterprise partnerships.**
- **Champion the role of museums in local and regional economic and cultural strategies**, particularly relating to city-branding, tourism and inward investment.
- **Encourage and broker more strategic place-based partnerships and investment in museums.**

1.1 Fully integrate culture into economic local development

DCMS should ensure the biggest cultural organisations are represented in the Local Enterprise Partnership and culture is fully integrated into town or regional economic plans, as it was to great effect in the Regional Development Agencies which LEPs replaced. DCMS can offer leadership and ensure the broad economic impact of museums regionally is thoroughly understood and enables museums to be part of the work of Local Enterprise Partnerships and economic planning, and consequently build up profitable relationships throughout a locality and be eligible for relevant funding streams (such as the Local Growth Fund). DCMS should exercise influence on the allocation of funds for cultural priorities by LEPs. Although museums contribute to different elements of the local economy, as visitor attractions they are particularly important to tourism. A more coherent approach to cultural tourism – nationally and regionally – would be welcome.

Case study: The structure of the New Anglia LEP – which includes a Cultural Board – allows 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 to further boost their role in regional cultural tourism.

1.2 Strategic cultural provision in planning and development

There should be greater consideration of cultural infrastructure and the long term sustainability of cultural heritage institutions during planning and development of localities. This would support the long term sustainability of regional and national cultural infrastructure. HM Government, LEPs and local authorities could broker and champion partnerships between national and regional developers and cultural organisations to help provide a more co-ordinated and strategic approach to cultural provision within planning and development. In 2005, DCMS produced *Culture at the Heart of Regeneration*, a paper which illustrated the transformative effect culture could have on a place and made recommendations. Championing policies in this way can be helpful.

Case study: Culture is a major priority for the city of Hull. Economic plans, led by Hull City Council and relevant agencies, prioritised the development of culture, along with attracting

new manufacturing and engineering to the city. They did this because of culture's role in making a place more attractive for such investment and relocation, exploring the rich heritage of Hull to inspire visitors and residents alike, and providing employment opportunities in the cultural sector which were attractive and attainable for many residents in a part of the country that had experienced significant levels of deprivation. Hull's vision, and the execution of this by a consortium of business, civic and cultural organisations, was rewarded with the announcement that Hull will be the City of Culture in 2017.

1.3 Review of cultural provision within Section 106

DCMS could encourage the Department for Communities and Local Government and local authorities to deploy more strategically the funds generated through Section 106 planning requirements for supporting cultural and leisure provision. This would allow for the development of regional – and even national – cultural infrastructure, including publicly accessible storage, partnerships between national and non-national museums, museum re-developments, or a contribution to city or region-wide endowments.

Case study: The development of the Challenger Tank Plaza at the Discovery Museum in Newcastle has already been made possible because of a strategic use of the cultural requirements in planning regulation Section 106. Other museum projects funded through Section 106 include the relocation of the Musical Museum in West London and the re-development of the education spaces at the ss Great Britain in Bristol.

1.4 Place-based philanthropic investment in community assets

Local demographics, the local economic context, the nature of the collection and the degree of local political stability are all beyond the control of a museum but determine a museum's ability to fundraise. Beyond central London, it has proved challenging to raise significant sums of money through philanthropy. Many of the UK's civic collections were built on a foundation of philanthropy, public "subscription" and investment by local businesses and public corporations. Founders led the establishment of the great civic collections and wished to leave an indelible mark on their city by investing their personal wealth into improving the place that had supported their own development. Fundraising campaigns for local museum provision which revive this spirit and emphasise the importance of the museum to the future vitality of its locality – to serve the public yet to be born - could re-invigorate the public realm in the same way communities have come together to secure the future of other community assets. DCMS needs to incentivise and actively foster philanthropy outside of central London to secure a future for civic museums which is more sustainable than year-on-year revenue funding from increasingly pressed local authorities. The particular characteristics of each locality will determine what model of philanthropic investment could be possible, but these could include a combination of city or region-wide endowments for culture, local small-scale giving campaigns, long term corporate investment and match-funding of public investment.

DCMS needs to have a decisive influence on business to illustrate the importance of cultural infrastructure to the economic and social vitality of an area. DCMS needs to champion the value business receives from the continued presence of an excellent museum and encourage them, alongside local authorities, to contribute to long term revenue funding to ensure they continue to reap the benefit.

1.5 Strategic partnerships with universities

Museums and universities are increasingly working together and should be supported and encouraged by DCMS and BIS to do so. Not only are museums and universities able to collaborate on research, teaching and sharing expertise, but universities are significant catalysts for economic development and forging a sense of place. Universities are 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.

Case study: Reading Museum and the Museum of English Rural Life (University of Reading) enjoy a strategic partnership, and the Royal Albert Memorial Museum in Exeter enjoys a multi-faceted relationship with the University of Exeter. Birmingham Museums Trust is developing a Research Framework with Birmingham City University and the University of Birmingham to support its redisplay programme.

1.6 Encouraging community engagement in museums

Successful museums are rooted within their community. They provide thousands of opportunities for volunteering, co-produce public programmes with community groups and special interest groups, and work in partnership to acquire and document the breadth of experiences and histories of a place or subject. DCMS should champion and encourage initiatives which ensure museums are central to the civic life and no-one feels excluded or intimidated by a visit to a museum.

Case study: The DCMS/Wolfson Museums and Galleries Improvement Fund has, since 2000, provided an essential source of capital funding for museums across England to update permanent galleries and displays. Derby Museum and Art Gallery received a grant to refurbish their natural history gallery. However, Derby Museum is no longer able to employ a dedicated natural history curator. Therefore, the Museum decided to enlist local volunteers, natural history specialists, enthusiasts, community groups and students to develop the content and design of *notice nature feel joy*.

2 People

In 2014-15, 52% of adults and 62% of children in England visited a museum. 6.7 million people visited the British Museum in 2014, and the institution connected with 43.7 million virtually. The nationwide commemoration of the centenary of the First World War was only possible because museums of all sizes across the country explored the stories held within their collections and communities, and so provided the focal point for reflection. Museums reach millions of individuals, but work closely with community groups for whom the collection has significance. A museum building is a safe and social space that can appeal to people of all ages and backgrounds. Fostering a sense of community – understanding differences and sharing commonalities – is a powerful way of encouraging civic engagement and participation in civil society to celebrate, commemorate or help in times of crisis. Museum collections, interpreted by skilled staff, stimulate memories, help people make sense of a confusing world, provide joy and are the start of a conversation. Few civic institutions are as loved and trusted by the public, and much of this is because the workforce is dedicated and skilled, and supported by thousands of committed volunteers.

Role for Government

We believe that there is a continuing role for government in supporting museums to provide a public service which meets a range of needs and delivers genuine social impact. This means going beyond the simple provision of access, and supporting much of the key proactive work that museums do. The Government should:

- **Be a champion for museums meeting broader government social objectives**, including in those areas where impact is difficult to measure on a financial basis.
- **Enable partnerships between museums and other public sector organisations** to support the joint use of museum resources in providing educational opportunity, improving health and wellbeing and teaching citizenship.
- **Support measures which seek to remove barriers to visiting and involvement**, with public investment to do so.
- **Promote diversity in the museums workforce**. There is a clear role for government in acting as a champion for underrepresented groups joining the cultural workforce, and greater use of apprenticeships and volunteer management roles in increasing diversity.

Specific measures

2.1 Promotion of museums impact on public policy priorities: strategic commissioning

Museums deliver on a range of key public policy priorities, including health and well-being, raising aspirations, reconciliation, and the development of peaceful and prosperous communities. DCMS should work with museums to promote the significant impact museums can have on these priorities to relevant Government departments (Health, Communities and Local Government, Ministry of Defence, Education) and help identify sources of support. These departments can be difficult for individual museums to navigate at present.

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. This sort of finance is important to museums who by nature fixed costs and budgets and it can be difficult to find space in budgets to begin this sort of work.

2.2 Education, learning and research

Each week, 4% of the child population in England visits a museum. More will experience the recognised benefits of object-based teaching in subjects across the curriculum through loan

boxes or digital content. Museums provide teaching and learning experiences throughout life: they can help raise aspiration by supporting adult literacy, be the context to teach new skills as a means of tackling isolation and improving mental health, or work with under- and post-graduate students to conduct world-changing research based on the collections. DCMS should work in partnership with both DfE and BIS to the potential for museum collections to support education, life-long learning and research is fully realised. This should include the continuation and expansion of the DfE-funded, ACE-administered *Museums and Schools*.

Case study: *Museums and Schools* linked ten regional clusters of schools (in areas with less cultural engagement) with national and local museums to support various curriculum subjects. Funding is due to expire in March 2016.

2.3 Museums, health and well-being

By working in partnership with specialist organisations such as charities, care providers and community groups, museums are able to use their collections and devise specific programmes to draw people back into society and tackle loneliness and isolation. The significant impact this work has – using comparatively small amounts of public funding to make a significant difference to the lives of vulnerable people – should be championed and supported by DCMS and the Department of Health.

Case Study: National Museums Liverpool receives funding from the Department of Health to run the award-winning *House of Memories*. It targets carers, health and social providers and helps them to deliver a positive quality of life experience for people living with dementia. The programme demonstrates how a museum can provide the health and social care sector with practical skills and knowledge to facilitate access to untapped cultural resources, often within their locality.

2.4 Community spaces

Museums are safe and social spaces: warm and welcoming to the whole community. A museum that is fully embedded within their community means that no-one feels that that museum “is not for them”. Fostering a sense of community – understanding differences and sharing commonalities – is a powerful way of encouraging civic engagement and participation in civil society to celebrate, commemorate or help in times of crisis. Museums tell local, national and international stories, giving a sense of shared heritage and fostering a sense of common identity for a place. Few other civic institutions have the public trust, collections or infrastructure to mastermind large-scale acts of remembrance, address difficult histories or explore sensitive subjects. DCMS should champion this role within Government (as they have with the commemorations of the centenary of the First World War), and help museums form partnerships and unlock funding to support this element of their work.

Case study: 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.

2.5 Diverse and appropriately skilled workforce

In order to engage a wider demographic and unlock the rich variety of stories that collections can tell, museums should be supported to create diverse programming and recruit a diverse Board of Trustees. By doing this, more people may see themselves reflected in the museum’s displays and leadership, and consider a career in museums.

Museums have a highly skilled and dedicated workforce. However, the workforce lacks diversity and is not representative of society as a whole. It is important to ensure entry routes into the sector reflect the skills required, and are not prohibitive to those with the relevant talent to seek a career in museums. Apprenticeships have been under-utilised by museums

and additional support and targets to do this could be a catalyst for change. DCMS could support a package that would encourage the uptake of apprenticeships; support practice that encourages diverse recruitment and to provide in-house and cross-organisation training opportunities to foster cultural change. In addition, DCMS could work with museums and ACE to encourage greater diversity at senior levels in the museum sector by improving retention and staff development.

Volunteers make up a significant proportion of the workforce and museums could be supported and encouraged to follow their peers who already actively recruit volunteers from non-traditional backgrounds.

Case studies: HLF's *Skills for the Future* programme provides the means for museums and heritage organisations to cover gaps in skills in the sector by providing more accessible work-based training. The programme has funded traineeships in traditional museum activities, such as curatorship, new areas, such as utilising digital technologies, and maintaining skills at risk, such as traditional heritage crafts. The employment rate of the trainees is very high. HLF also supported Imperial War Museum North, Manchester Museum and the Museum of Science and Industry to develop *if: volunteering for well-being*, a ten-week training and volunteering programme working with collections in Manchester for participants who want to learn new skills and improve their health and well-being.

3 International

The UK museums sector is internationally renowned and respected. The international work of museums makes a major contribution to the UK's soft power capability and influence overseas. It creates channels of communication, a positive impression of the UK and the conveying of different perspectives which may not be achieved through more conventional forms of diplomacy. The position of UK museums as working at arms-length from government allows them to create mutually beneficial relationships and build trust based on institutions' shared interests. International working is no longer the preserve of just the very large national museums, but museums of all scope and sizes are developing their international partnerships. Touring exhibitions and loans form a significant and visible part of this international work, but it is supported by skills sharing, community programmes, research, digital engagement, conservation, audience development and fieldwork. Museums work internationally to maintain their relevance in a globalised world, learn more about their collections, and to provide high quality public programming for a global audience that has the means to be more curious about the world. The international work of museums is a crucial part of bilateral relationships with the UK, as they are major tourist attractions and provide an attractive context for the development of trade and business.

As collections and knowledge based institutions, the impact museums have on those who engage with them is substantial. Scholarship knows no geographic boundary, and physical objects have a powerful resonance for both individuals and whole communities because of the objects' own history. The collections held by the UK's major regional museums are of national and international significance, reflecting the global reach of the great industrial cities. Objects prompt visceral, emotional responses: they can prompt joy and wonder yet also be the starting point for conversations about contested histories, reconciliation and facing the uncertainty of the future. As hundreds of museums across England are now developing international partnerships, the potential impact on soft power is greatly heightened.

Role for Government

There is a clear role for Government in supporting the international work of museums. Museums' ability to make a substantial contribution to the UK's soft power would be fully realised if Government could:

- **Champion and support national and non-national museums' international work and its impact on diplomacy, trade and tourism.**
- Provide **in-kind support and seed-funding** for international projects
- Ensure that UKTI, ACE and the British Council support museums in a joined-up way which aids museums' aspirations and recognises the impact and specific requirements of collections and knowledge-based institutions.
- **Maximise the opportunity** for international cultural relationships in cross-government initiatives such as Ministerial visits, summits and the GREAT campaign.

3.1 Champion the role of good cultural relations in supporting diplomacy, trade and tourism

DCMS should continue to champion the role of good cultural relations in supporting diplomacy, trade and tourism across Government, and work with FCO, DFID CLG and others to champion the international work of museums at both national and regional level. The Department should continue to seek opportunities to embed culture into wider bilateral relationships wherever possible, and encourage the same regionally.

Case study: Developing bilateral relationships with China is a priority for many museums, and for Government. Recent Ministerial visits, including that by the Chancellor in December 2015, included a significant cultural element to the delegation, programme and announcements.

3.2 Investing in International: seed-funding for museums' international activity

Public investment in this work exists but can be challenging for most museums to access. Even the largest national museums find the initial research and development for a proposal (travel, networking and working up initial ideas) extremely difficult to secure. The situation is more acute for civic museums, as there is little scope in their budgets to explore both non-commercial and commercial opportunities. Arts Council England supports international work of the arts (not museums) through the use of lottery funds. However, most museums are unable to apply for this. HM Treasury and the FCO has generously supported projects and assisted in securing investment from overseas authorities. Nevertheless, these departments can be difficult to navigate for all but the largest museums.

Between 2008 and 2011, DCMS supported the World Collections Programme. This £3m programme was led by the British Museum and investment was made via six "world collections" (the British Museum, Tate, British Library, NHM, RBG Kew and the V&A). The investment enabled the six organisations to establish their international partnerships across Asia and Africa. The programme delivered ten touring exhibitions, sixteen training and skills sharing projects, nine digitisation projects, 21 internships and fourteen academic or artist-led workshops, and made the collections available online and in print in seven languages. It also paid for a full-time programme manager to help share information and seek out opportunities. Furthermore, it allowed the six institutions to conduct the research and development which led to long term partnerships and development of projects to the point where they were able to secure external funding. These included Tate's work with African artists (later supported by Guaranty Bank Trust), the British Museum's *Afghanistan: Crossroads of the Ancient World* exhibition (supported by Bank of America and a selection of charitable trusts), the digital reunification of the Ramayana Manuscript led by the British Library (also supported by the Jamsetji Tata Trust, the Friends of the British Library, and Sir Gulam and Lady Mohini Noon), and the V&A exhibition *Life and Landscapes* which was the first UK touring exhibition to venues in India and so laid the foundations for future partnerships between UK and Indian institutions.

The ACE-funded Working Internationally Regional Project has been crucial in sharing information across the sector, and building confidence and capacity amongst non-national museums. The project has worked with hundreds of museums, and the applications for their travel grants illustrated the breadth of ambition.

The benefit to the UK's soft power from a seed-funding or project start-up fund specifically for museums would be significant. The sector is at a point where an initiative for a wider constituency could have a transformative effect on the whole sector, allow national and non-national museums to better take advantage of the in-kind support of the FCO, DCMS and wider Government, and develop both commercial and non-commercial opportunities. The programme would be an opportunity for museums to work together (as the success of the Greater Manchester Museums Consortium's touring exhibitions to China and the British Museum's International Training Programme both demonstrate).

Case study: The Ancient House in Thetford and the William Morris Gallery in Walthamstow received one-off travel grants from the British Council to travel to India. As a result of this, both institutions have developed partnerships with organisations in India and their own communities, and embarked on subsequent projects supported by external organisations. Neither institution would have been able to do this work without the initial £2000.

3.3 The role of the British Council

British Council offices overseas report great interest worldwide in wanting to work with the UK museums sector. Offices overseas provide invaluable support to UK museums, and this has been most recently demonstrated by the development of the Science Museum Group's skills sharing and consultancy work in Brazil. British Council Brazil has supported the Museum by facilitating introductions, providing advice and seeking out opportunities for partnership for

the Science Museum Group. Similarly, recipients of both Connections through Culture China and India travel grants received vital advice, support and introductions (and later promotion of their work) by the British Council in China and India. The increase in the number of arts posts in British Council offices overseas is welcome, as is British Council-produced research (for example, the reports *Trust Pays* and *India Matters*).

Since UK museum collections are so diverse, there is a demand for working with the full breadth of museum collections: there is a significant opportunity for the British Council to prioritise working with museums. This may require revision of the British Council Arts structure as museums falls within the remit of the narrower discipline of the visual arts and the cultural skills unit. The post of Museums and Heritage Advisor has been critical in maintaining the relationship between the museum sector and British Council offices overseas. The British Council is of greatest value to the museum sector when it is the facilitator of opportunities, rather than the instigator of new work (beyond the opportunities to utilise the British Council Collection, where partnerships with museums of similar collections could have value). This is illustrated by the way the organisation assisted with the Science Museum's *Cosmonauts* exhibition. The UK's soft power emanates from the strength of institutions, at arms-length to Government, working in partnership with institutions overseas.

3.4 The role of UKTI

Great value is placed on the skills and expertise of those working in the UK museums sector by governments and cultural institutions overseas. Consultancy commissions and requests for training and skills sharing workshops illustrate a worldwide demand for such skills. Similarly, there may be a market for commercial touring exhibitions. DCMS should encourage UKTI to ensure that the support they are able to offer the museum sector best matches both the demand from overseas and the offer UK museums (both national and non-national) are able to make.

3.5 Maximising the role for museums in cross-Government initiatives

The GREAT campaign and Ministerial visits have both played a very positive role in the development of UK museums' international work. The inclusion of museum directors in the delegations accompanying Cabinet Ministers across the world has been extremely beneficial to establishing and securing high profile cultural projects. The same impact is felt by the inclusion of cultural elements to incoming VIP visits. DCMS should continue to pursue this profile-raising, and encourage the inclusion of as wide a range of museums as possible. DCMS could also encourage local authorities and regional business groups to include a cultural element to their incoming and outgoing visits for similar effect.

3.6 The protection of cultural heritage

The announcement by DCMS that it would seek to ratify the Hague Convention to protect cultural heritage in conflict was very welcome, as was the accompanying £30m fund to support this work. DCMS should work with the British Council, who is administering the fund, to utilise the strengths of the whole UK cultural heritage sector (including those with the direct experience of preserving heritage sites) in deciding how this generous funding should be spent.

4 Creating the conditions for museums to flourish

Museums can only continue to deliver significant social, economic and cultural impact if public investment is maintained and they are able to create sustainable operating models. In the 2015 Comprehensive Spending Review, the Chancellor of the Exchequer recognised the impact that museums have and said that cuts to the budgets of Arts Council England and the national museums would be a “false economy”. There were additional allocations of capital and LIBOR funding to museums for programmes and projects in the CSR. However, the settlement for Communities and Local Government means that the funding situation for civic museums – where the collection and buildings are owned by a local authority which provides revenue funding either as a direct service or via an independent trust – is perilous.

It is imperative that optimum conditions are created for museums to have the stability and security needed to generate their own income and ensure the most efficient and effective use of all investment, be it public, private or earned.

Making efficient and effective use of all investment also means a strategic approach to collections and service management, and to embrace the opportunity provided by digital technology. It also means the encouragement of partnership working, be it with national museums, between museums of similar collection or location, or with organisations beyond.

Role for Government

There is a continuing role for Government in ensuring the present and future vitality of the museum sector by putting in place the means to practice excellent standards of museum and collections care and development, engage the widest possible public with the collections, and meet long term challenges. The role of Government is to protect the nation's heritage and ensure future generations realise the benefits of museum collections. The Government should:

- Work with all relevant organisations to **secure financial stability** for the museum sector, and acknowledge the challenges of raising philanthropic investment outside London.
- **Provide the means to create museum infrastructure which addresses medium and long term challenges** of digital, collections management and retaining collections expertise.
- **Encouraging a financial, tax and governance framework which maximises the public value** of public, private and earned investment in museums.
- **Encourage museums to work together** for their mutual and public benefit.

Stable public investment in museums

Specific measures

4.1 Securing a sustainable future for civic museums

The CSR settlement for Communities and Local Government, and the subsequent perilous state of investment in museums by local authorities, represents a serious threat to the future vitality of civic museums. It also places at risk 20 years of public and private investment in non-national museums through the HLF, Arts Council England, Renaissance in the Regions, local authorities, Regional Development Agencies and charitable foundations. Much of that investment was predicated on the understanding revenue funding would be available for civic collections (those in public ownership) from the local authority who held them in trust for the public. Since 2010, the funding environment for civic museums has altered markedly, with many local authorities either choosing or being left with little option but to significantly reduce revenue investment in a short period of time. As museums are collections-based institutions, they plan over a longer term, and to re-adjust an operating model and maintain a good quality of public engagement and collections care in such a short period of time is extremely challenging (irrespective of whether a museum is managed as an independent

trust or a direct council service). Local demographics, the economic context of their location, the nature of the collection and the degree of local political stability are all beyond the control of the museum but have a determining impact on a museum's ability to alter their operating model.

Renaissance in the Regions, funded centrally by DCMS and delivered through regional hubs (and supported by significant HLF investment and the support of the Regional Development Agencies), helped revolutionise non-national museums, fundamentally improving the quality of display, visitor experience, scholarship, public engagement, collections care and collaboration with other museums. Non-national museums have never been so popular, enjoyed such a reputation for excellence or been so important to the people who visit or the place in which they are located. However, this investment and the legacy of twenty years of improvement are now at risk: and in some places have already been irreversibly lost.

DCMS is responsible for creating the conditions for museums to flourish and so protect the nation's heritage for future generations. DCMS secured a favourable settlement for the national museums in 2015. This settlement in part supports Arts Council England's investment in the non-national sector and the extensive partnership work of the national museums. However, the public impact of that significant central Government investment will be significantly undermined if the pace and scale of the retreat of investment by local authorities continues and civic museums are not adequately supported to develop sustainable alternative operating models.

Therefore, DCMS should consider the following.

4.1.1 Champion the impact museums have on local public policy priorities

- Champion why museums matter to people and places, how they are able to help local authorities meet public policy priorities and why, and that spending on museums is a net investment.

4.1.2 Longer term public investment packages

- The 2015 Comprehensive Spending Review announced a four-year settlement for national museums and Arts Council England. This was warmly welcomed, because it can frequently be the case that spending decisions by national and local government – both for revenue and projects/programme funding – are made or altered on a yearly basis. As organisations that require long term planning because of the fixed overheads inherent in the core business of collections and building care and public access, museums would be able to more effectively and efficiently manage their public investment if funding was agreed for at least a three-year period. Many civic museums face the additional challenge of setting their own annual budget when their yearly settlements are indicative. Civic museums will ultimately also be better able to adapt to any changes in levels of public investment, if they could plan to manage this over a longer period of time. This gives the opportunity to develop alternative funding streams, operational models and make a detailed assessment of the long term needs of the collection, the public and the institution.

4.1.3 Transforming civic museums into cultural and community enterprises

- Acknowledge that the context in which individual civic museums operate varies greatly depending on a series of factors beyond the control of the museum, and so work with museums, CLG, ACE, HLF and local authorities to support a series of realistic and sustainable investment models, recognising that each model could work for someone somewhere, not everyone everywhere. Changes do not reap immediate benefits and so as museums transition to being less dependent on local authority investment, they need to have a source of stable public investment for this purpose. As a Government that sought to protect culture in the CSR it could follow that Government could provide the interim means to augment the Transition Fund already

provided by HLF, and thereby complete the “renaissance” by affecting a change of operating model and financial sustainability.

4.1.4 Greater independence from local authority processes

- Although investment from local authorities has reduced, it has not always followed that the *quid pro quo* is for museums to enjoy greater freedom and flexibility from the restrictions of national or local governance. Museums that remain part of local authority provision could be given greater freedom over procurement, communications and staffing to enable them to generate income, build audiences and ensure greatest public value from the investment they receive. If a civic museum wishes to seek greater freedom from the controls of local authorities and can demonstrate the benefit, they should be supported to do so and replicate the trust national government has shown in national institutions. Local authorities should be encouraged to work closely with the museums they fund to develop processes that enable their museums to effectively and cost-efficiently operate. Local authority museum trusts, independent charities that manage the collection and building on behalf of the local authority, should be supported and encouraged to become as operationally and financially independent as possible by being given long term leases and agreements.

Case study: This lack of freedom is best illustrated by some civic museums not being able to have their own independent website, landing page or social media presence. Without these, and with declining public investment and changing audience expectations, it can be difficult for a museum to engage audiences, develop their own digital partnerships and fundraise. Since launching their own website Bristol Museums, Galleries and Archives has been able to cost effectively promote events and take bookings 24/7 with over 80% visitors to events choosing to book online in advance. Bristol is able to deal with enquiries much more quickly and has just launched an online shop to further increase awareness and income. Similarly, visitors to the now independent website of the Royal Pavillion and Brighton Museums spend 14-20% more time on the site, leading to a ten-fold increase in online ticket sales for the Royal Pavillion and increasing social media traffic by 260% – 300%.

4.1.5 Protection from FRS 102 and other risks to Local Authority museums and collections

- The Chancellor, in his CSR announcement, stated that Local Authorities may keep the income generated by the sale of their assets. This policy, combined with the FRS 102 Accounting Directive (previously FRS 30 Accounting Directive), which requires local authorities and other museum bodies to declare cultural assets on their accounts, could put local authority museums, their buildings and collections at risk of sale without adequate and explicit protection. Government should provide a clear, formalised mechanism, backed up by appropriate governance and transparency, to categorise these assets correctly and protect them for future generations (in-keeping with the MA Code of Ethics and Accreditation standards).

4.1.6 Shared services

- There are circumstances where there may be financial sense in sharing - between like institutions - staff, conservation, storage and back office functions. Museums, local authorities and other sponsoring bodies should be supported to develop formal and informal partnership arrangements to share services. This could include between independent museums and civic museums managed or owned by different local authorities. Some national museums already share services. The Cornwall Museums Partnership, Tyne & Wear Archives and Museums, Colchester and Ipswich Museums Service, and the Manchester Museums Partnership have all demonstrated the benefits of a group of museums in a locality sharing some functions as a way of ensuring their income has greatest public impact.

Case study: Norfolk Museums Service, which is funded jointly by district and city councils and the county council to run ten museums across Norfolk, demonstrates the long term success of such an initiative. The county museum service was established 40 years ago, and has latterly also developed a region-wide programme to share services, expertise and programming: Share East.

4.2 Securing a sustainable future for university museums, galleries and collections

The University Museums, Galleries and Collections Fund currently sits within the budget of HEFCE. University museums and galleries make up 2.3% of the UK's museum sector, but care and make available to the public 25% of Designated Collections and make a significant contribution to wider scholarship and innovation. University museums increasingly contribute leadership and specialist expertise, promoting, for example, a renewed focus on collections' research for the wider sector through partnerships with the academy. As Major Partner Museums, the university museums at the Universities of Cambridge, Manchester, Newcastle and Oxford have seen unprecedented growth in new forms of community collaboration and partnership with regional museums, while other university museums have forged new forms of strategic partnerships with local authorities to support joint projects, including skills sharing and community engagement programmes.

As university museums continue to develop their public engagement and play a significant – but unique – role within the museum sector, this comparatively modest annual budget of £10.5m from the University Museums, Galleries and Collections Fund (which is used to lever in £56m of additional funding annually for university museums) could be protected and used more strategically if it was administered in one of the following four ways:

- The Museums, Galleries and Collections Fund (MGCF) could be considered as part of the response to the Nurse Review of Research Funding Councils (it previously was the responsibility of the AHRC);
- The Fund could move to the proposed Office for Students as a key driver of teaching excellence and social mobility;
- The Fund could be administered by a Government Department; or
- The Fund could be moved to another statutory body, such as Arts Council England.

Case study: The Whitworth, The Art Fund Museum of the Year 2015, is part of the University of Manchester. It is located within one of the most deprived wards in Manchester, and wanted the local community to become a greater part of the life of the institution. Following the major refurbishment, large glass windows, dedicated spaces for noisy activities and an extension into the neighbouring public park made the building much less intimidating and visitors came in record-breaking numbers.

4.3 Maximising public value of investment in national museums

As direct public investment has reduced, museums have had to become more enterprising. The Chancellor recognised this in the Comprehensive Spending Review by making permanent the freedom and flexibilities pilot with the national museums, and extending these to other national heritage and collections institutions. This means that national museums maintain their connection to Government as NDPBs, but unlike other NDPBs, their function as enterprises and visitor attractions with long term assets is recognised by allowing them to have greater independence over their business decisions (checks and balances do exist to ensure sound financial management). DCMS should continue to work with national museums to ensure that greatest public value is achieved from the public investment in national museums is crucial.

4.4 Heritage Lottery Fund

The Heritage Lottery Fund's twenty year investment in the museum sector has transformed the visitor experience and public expectations of museums. HLF should continue to work in close collaboration with the sector to maintain the additionality principle but target medium

and long term infrastructure challenges. This includes transition funding, endowments, supporting a digital infrastructure, creating a more diverse and appropriately skilled workforce, collections management and partnerships.

Create a robust cultural heritage infrastructure and sector framework to support museums and collections with significant long term challenges

4.4 A national framework for museum partnerships

DCMS should support and promote a network of national and regional partnerships, which seek to share collections, staff and knowledge in a mutually beneficial and strategic way; and that responds to needs of audiences, museums and collections. Partnerships can develop from existing networks and structures, such as Subject Specialist Networks or geographic proximity, and the sharing of information should be encouraged. Although the lending and borrowing of objects is important, partnership working could also be the means to tackle longer term challenges for the sector. Arts Council England and national museums should continue to work together to target support for partnership working, and national museums will continue to seek opportunities to develop new ways of working with the whole sector. However, for these partnerships to reach their potential there has to be capacity within the non-national museum and so seed-funding to establish partnerships would be helpful.

Although cultural policy is devolved in the UK, the sum of our culture in the UK is enhanced by collaboration internally and with the wider world. A degree of flexibility when considering funding models, regulations and administration helps encourage such cross-UK collaboration as ARTIST ROOMS, V&A in Dundee and the joint National Museums Scotland/British Museum exhibition *Celts*.

Case study: The British Museum works from the principle of sharing collections in ways chosen by partners, through touring exhibitions and loans. Supporting this activity is a programme of sharing expertise. The museums create a pool of skills and knowledge together that creates opportunities greater public engagement with history. Almost every facet of the British Museum's work involves partnership working.

Case study: The Humber Museums Partnership was formed in 2014 for a project called *Joining Up The Humber* and was a huge success. The Humber Museums Partnership was then awarded Major Partner Museum status in 2015 by Arts Council England and they now work together on a series of joint projects. The partnership comprises of Hull, North Lincolnshire and East Riding Museums services working closely together to celebrate and share local heritage. Working collaboratively allows for the sharing of ideas, shared topics exploiting historical links between sites, shared resource, shared projects, exhibitions, all of which enhance and enrich the visitor experience.

4.5 Use of museum collections in university teaching, and for research

Museum collections are a rich resource for research: academic, scientific and creative. Some museums are Independent Research Organisations and their curators conduct ground-breaking research and are world-renown experts in their field. The distributed national collection represented by the regional Designated Collections is the legacy of the UK's enormous artistic and industrial wealth, without parallel anywhere in the world. They are collectively encyclopaedic in breadth, spanning the disciplines of art, human history, natural science and science and technology. Investment in making them accessible as resources for research would contribute to the UK's research profile and enhance university teaching. It would also provide museums with collections knowledge and expertise in areas which they are unable to cover through their curatorial staff, and consequently open up more areas of the collection for public engagement.

Case study: The Royal Pavilion & Museums (RPM) has a memorandum of understanding with Brighton University and have 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's platforms.

4.6 Cultural Heritage Infrastructure

Collections management and digital represent two significant long term infrastructure challenges for the cultural heritage sector, but also two major opportunities for ensuring public access to museum collections. Working in partnership with museums and the HLF, Government could develop two flagship cultural heritage infrastructure projects. These would see investment in culture to save in the long term, as collections are better preserved and public access is increased. The LIBOR fund, already used to support similar projects in the cultural sector, could be a source of funding for such programmes.

4.6.1 Digital

Digital engagement with museums' collections, content and staff expertise is ever-growing, and as technology develops, audience expectations of how they are able to engage with museums digitally will change. Making digital part of everything a museum does – from fundraising to collections management – is both a challenge and an opportunity. The museum sector needs to meet long term challenges of macro collections management, digital preservation, digitisation and digital engagement by consideration of the wider digital infrastructure of the sector, rather than through a project-by-project approach. Creating a digital infrastructure would mean that the public will be able to find content they are interested in without having to visit each individual museum's website. Digital infrastructure should build from what currently has proven to work – such as Art UK - and from commonly-used standards. However, it should be modular, not a rigid structure imposed on the whole sector.

Investment therefore needs to be made up-skilling and the labour-intensive process of digitising collections (prepping objects for digitisation, photography/scanning, documenting and tagging). One modest, though essential, infrastructure need is long term funding for a core service platform, where museums' digital records (digitised to common standards) can be shared and the resulting data pooled and made available for re-use elsewhere. The core service platform (along the lines of Culture Grid) would be of particular benefit to smaller and medium-sized collections who may lack the resource to build their own database. It should be delivered to a brief agreed by all stakeholders and compatible with international data-sharing standards used across the cultural and academic sectors. A core service platform would encourage the creative re-use of collections information by developers, curators and the public. DCMS could provide interim funding for Culture Grid as part of this.

Making high-quality digital copies of collection items increases public access, but is also an essential conservation strategy. Digitisation reduces the wear and tear on the original material and is often the only way to preserve content before the physical artefact degrades beyond use. Large-scale digitisation requires large-scale digital storage and on-going digital preservation strategies to ensure the resulting content is kept future-proofed.

Ensuring greater public access and use of museums' collections digitally requires museums to work in partnership with different platforms and to put their content in places where the relevant audience already exists (examples include Google Cultural Institute, BBC, TES Global and Wikimedia). Providing the funds and brokering the partnerships required would be a helpful role for DCMS to take. Any digital infrastructure should also consider the requirements of archive and library collections. Seed-funding for digital partnerships (which could take the form of a challenge fund) with Government providing the mechanism to broker more partnerships between content-rich museums, tech companies and start-up investors, would encourage new and innovative projects to increase public access to collections.

Case study: Tyne & Wear Archives and Museums uses the data consolidated on Culture Grid to power *Collections Dive*, a digital resource to provide public access and to encourage re-use of the museums' digital assets by developers. The British Museum's partnership with the Google Cultural Institute allows significantly greater public access to the museum's collections, including very high resolution digital imagery of the Admonition Scroll, an object so delicate it can rarely be placed on public display.

4.6.2 Cultural Heritage Infrastructure: storage

There are opportunities for joint storage projects. There is no "one size fits all" long term solution to museum storage, and storage projects need significant investment. Areas for consideration could be:

- Shared storage centres for museums with collections requiring similar storage requirements that are in close geographic proximity. These need excellent road and public transport links: greater public access and specialist use (including by the depositing museums) is greatly encouraged if a collection is easily reached by both members of the public and museum staff;
- The storage requirements of the whole sector (both national and non-national museums) should be considered, and this could include the development of specialist storage centres where specific collection types can be stored in one place (i.e. herbaria collections or printed materials) irrespective of whether the museum is a national museum or not; and
- Appropriate public access to stored collections.

4.7 Government-led policy and sector development plan for orphan collections

As public investment in museums changes – and in learning lessons from the Wedgwood Museum case – there needs to be consideration given to the fate of orphan collections, particularly where these have been Designated. There needs to be stronger Government messaging around the responsibility to consider public collections as cultural, not financial, assets and the management of which should be guided by well-established sector ethics and standards, including for dispersal and disposal. In order to consider the nation's publicly-owned assets as the nation's assets, there needs to be a mechanism for macro collections management.

4.8 Acquisitions

A dynamic museums sector should be supported by dynamic collections development. Museums need to provide for present and future audiences by continuing to acquire material which reflects present culture, society and creativity. New acquisitions provide a catalyst for excellent exhibition, touring and audience development projects across the country, revitalise collections and attract new visitors. Public funding bodies the ACE/V&A Purchase Grant Fund, Heritage Lottery Fund and National Heritage Memorial Fund, alongside private funders such as the Art Fund, provide vital financial support for new acquisitions. Additionally, through mechanisms such as Acceptance in Lieu and the Cultural Gifts Scheme, Conditional Exemption, and the export review system, the Government supports the preservation of the nation's cultural heritage in the public domain. Acceptance in Lieu remains the most important means by which museums are able to add work of national significance to their collections, usually at no cost, and the recently introduced Cultural Gifts Scheme is an example of the leadership DCMS has shown in recent years in terms of championing collections development.

Alongside Acceptance in Lieu and the Cultural Gifts Scheme, Conditional Exemption and the export review system provide the current framework that dictates how our museums and galleries may seek to acquire works deemed to be of national importance. These two systems exist to preserve our national heritage for the benefit of the public and ultimately aim to prevent objects and works of art that have been identified as national treasures from

leaving the country. Currently, in both instances museums are supposed to be offered a fair opportunity to purchase such works for their collections. Museums and their funders play a vital role in the system by raising and securing these purchase funds. However, there are weaknesses in both mechanisms undermine such opportunity, and mean there is not a level and balanced playing field between commercial and national interest. We would like to see amendments to both Conditional Exemption procedures and the export review system to support and encourage greater ambition and greater numbers of significant acquisitions by museums. Furthermore, it would be desirable to close the loopholes in the export review system to ensure that museums can acquire export-stopped works if they successfully raise the funds needed.

Conditional Exemption could be strengthened through requiring owners to agree to a legally-binding six-month 'intention to sell' period, during which museums could attempt to match the sale price. Currently this is limited to a three-month period, and furthermore is not legally enforceable, despite owners having benefited from generous tax relief, often for years. Similarly, we would urge DCMS first to only agree to consider a licence application upon receipt of proof of sale contract, and second to introduce a legally binding obligation upon an applicant to sell to a museum making a matching offer following an export licence deferral. This would result in more certainty regarding the value of works, and prevent private individuals from using our excellent review system to boost the value and profile of works of art for undue commercial or personal gain. In circumstances where a completed sale would result in the loss to a museum of a tax-advantageous price, we suggest a new mechanism whereby, in the event of a successful fundraising campaign, the tax paid would be refunded to the museum. Such amendments would ensure that processes are transparent and legally binding and ensure the effective and efficient use of public money and strengthen museums' chances of continuing to acquire the most important works of art and objects of national importance for their collections.

A tax system which encourages philanthropy and corporate investment and ensures museums can most effectively use the income they earn for charitable purposes

4.9 Business rates

A beneficial business rates environment is one of the key ways in which the government supports museums. Over half the museums in the UK are charities and benefit from 80% mandatory relief on business rates for their properties, many of which are historic buildings and sites in their own right. It is vital that this relief is protected as business rates are devolved to local authorities. Three quarters also benefit from some amount of discretionary relief but this has already been reduced for many and will be increasingly under threat as local authorities own finances are squeezed. 60% of museums responding to a survey in 2015 fear their rates bill would increase in the future.

As more museums are now paying rates, the issue of whether the valuation of their properties is fundamentally fair has become increasingly urgent. In many cases it is not fair, but challenging the valuation is expensive and complicated. This could be helped significantly by including museums valued by the Contractors Method within the lower "education" band of the de-capitalisation rate. About half of museums are valued by the Contractors Method, which relies on a de-capitalisation rate set by statutory instrument regulation. Museums currently have the higher rate applied, which is set for commercial properties, and which presumes they have to acquire capital funding at commercial rates. A lower de-capitalisation rate is available to Educational hereditaments on the basis that they have access to lower long term interest rates to fund their development. This lower rate would be more appropriate for museums, whose developments are almost always funded through grants, primarily from the Heritage Lottery Fund. They should therefore be included in the educational hereditaments subject to the lower rate. Many museums are classified as educational charities in any case. This would not require primary legislation merely an

amendment to the Miscellaneous Provision Statutory Instrument. This simple change would provide a cost-effective mechanism for long term support of many museums across England.

4.10 Simplifying Gift Aid

Gift Aid is one of the most important ways that charitable museums are supported by government. Take up of Gift Aid on donations is much higher amongst museums than amongst charities as a whole (80% in a 2014 AIM survey compared to 50% for all charities reported by SONI in 2014).

The barriers to participating in Gift Aid on donations are primarily related to the complexity of administration processes and the restrictiveness and complexity of the regulations regarding donor benefits. The museum sector has participated in the recent Call for Evidence to simplify donor benefits and strongly supports the proposed simplifications. We will also provide evidence in the forthcoming Call for Evidence on the Gift Aid Small Donations Scheme, which would be of great value to small museums if the excessive regulations surrounding it were reduced.

The Gift Aid on Admissions scheme is a vital recognition of the way that the public supports museums, by visiting them and engaging with them. The complexity of this scheme, with its two variations, makes it hard to explain to the public and difficult for museums to administer, preventing both individual visitors and some museums from participating in it. We believe that the scheme needs to be simplified. One way of doing this would be to return to the original method which made all day visits by UK tax-payers eligible for Gift Aid, without the need for an additional donation or to give an annual pass. Simplification would result in fewer incorrect claims, closing the tax gap on Gift Aid and would increase participation in the scheme by museums and the public.

4.11 Encouraging greater corporate giving

Corporate support for arts and culture has been in decline in recent years. A successful model to motivate increased corporate funding for cultural organisations is Brazil's Rouanet Law, which allows tax breaks on giving and sponsorship for cultural activities. The tax incentive enables businesses to invest a part of their payable corporation tax in cultural activities in a similar way to the existing UK system applying to charitable giving, but has three additional benefits:

- It allows a tax deduction for sponsorship (at a lesser rate than for donations). This has been highly successful in encouraging corporate sponsorship of cultural organisations. Under the existing UK scheme, sponsorship arrangements are treated separately.
- It applies to all cultural organisations, not only those with charitable status but broadening to those under local authority control.
- It is a targeted, well-branded and well-known scheme amongst the business community and cultural organisations. A similarly branded scheme in the UK would help to raise the profile of corporate philanthropy and sponsorship.

If DCMS and HM Treasury were to give serious consideration to implementing such a scheme – either as a standalone scheme or as a reform of the existing tax rules on charitable giving – this could galvanise a step-change in corporate support for museums.

4.12 Encouraging giving from high net worth individuals

Museums are by necessity going to have to become more expert in cultivating and maintaining relationships with individual donors. Projects such as Sheffield's recent 'Going Public' city-wide exhibition programme and symposium demonstrate that there is real interest and enthusiasm from high net worth individuals and private collectors to support the development of museums across the UK, their collections and audiences.

However, although the UK has a relatively sophisticated range of incentives to encourage charitable giving, they are, as highlighted in the 2014 Charities Aid Foundation report *Give Me a Break*, often archaic, more complicated and fragmented, and therefore more confusing for donors, meaning levels of awareness of the various methods of tax-efficient giving remain relatively low. It also makes it more difficult for museums to communicate simply and directly with potential donors. Simplifying and clarifying the routes into philanthropy, and making giving more attractive and efficient, would empower museums to engage donors more effectively.

The Cultural Gifts Scheme is a recent innovation which has had an undoubted positive impact on museum collections. However, improvements could be made that would encourage greater philanthropy. Currently in the UK individuals receive a tax reduction of 30% and companies 20% of the value of the work of art; in France the equivalent scheme offers a 60% deduction. Furthermore, consideration should be given to a simplified model closer to the Australian Cultural Gifts Program, which would give museums the power to engage donors directly, and, at the same time, encourage active collections development.

Additionally, the expansion of the list of Schedule 3 bodies to include all Accredited museums and galleries in the UK would enable all museums to develop relationships with private collectors and pursue Private Treaty Sales, which frequently offer a substantial financial advantage to both vendors and institutional buyers.

Case study: Anthony d'Offay's extraordinary gift to the Nation of the ARTIST ROOMS collection, and its ongoing transformative tour across the UK, would not have been possible without the Government agreeing to waive the £14million tax bill incurred by the sale.

4.13 Tax exemption for temporary exhibitions

A new Exhibition Tax Relief which would allow tax relief on 80% of the production costs of temporary museum and gallery exhibitions and displays, potentially at a rate of 25%. For England it is estimated that a total of £27.6m tax credits would enter the sector to encourage and support museums and galleries to continue to develop high quality exhibitions and displays – we will engage with colleagues in the other home nations to understand the potential requirements of their galleries and museums.

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Technical note

The English museum sector is made up of a number of different types of museums. 16 national museums (which between them have branches across the country) are sponsored directly by Government (13 by DCMS, three by the Ministry of Defence). Civic museums are those where the collection and buildings are owned by a local authority which is likely to also provide revenue funding, either as a direct service or via an independent trust. There are wholly independent museums which own their own assets, including the collection. There is a network of military museums, most focusing on particular regiments (and these have received investment from the Ministry of Defence) and many universities also operate museums (30 of which are also supported by HEFCE). Arts Council England (ACE) is the development body for non-national museums in England, and uses its Grant-in-aid to support 21 large regional museums and consortia as Major Partner Museums (MPMs), nine museum development services and individual museums' priorities through a series of programmes. Lottery funding for the museum sector is predominantly provided by the Heritage Lottery Fund (HLF) via a network of regional offices, rather than by Arts Council England. Museums have much in common with other collections-based institutions, such as archives, libraries, historic houses and heritage sites. Although cultural policy is devolved, some of what is included in this paper may affect or benefit museums in Scotland, Wales and Northern Ireland.