

## Review of Museums in England: NMDC response to online call for evidence October 2016

### Summary

This response is submitted on behalf of members of the National Museum Directors' Council (NMDC). Many NMDC members are also responding individually to the call for evidence to highlight specific issues from their individual perspectives.

The future sustainability of local and regional museums remains the most significant and immediate challenge to the museum sector, and this is considered first as it determines the scope of many of the sector-wide themes. This document sets out the themes which NMDC believes should be the focus of the next phase of the DCMS Museums Review. Under each theme, as requested in the online consultation, is a brief summation of opportunities and challenges followed by suggestions for next steps or lines of enquiry as to how this can be addressed. Encouraging greater public access and participation, from a more diverse audience, are at the heart of everything a museum does and so it is not a separate theme, but instead NMDC suggests considering themes which provide better public participation, access and impact. The six themes identified are: digital; international; working in partnership; workforce; tax, governance and diversifying income; and collections.

The next steps put forward here are suggestions or starting points for further exploration in the next phase of the Museums Review. These build on the joint submission to the Culture White Paper consultation by UK museum representative bodies led by NMDC. Case studies and further evidence can be found in that document<sup>1</sup>.

The EU Exit has led to considerable uncertainty across the museum sector, and will also determine much of what can be achieved by the sector in the future. There is particular concern about two major sources of investment: in regional economic and social development and infrastructure; and in research, mass digitisation and collaboration (where the UK leads major programmes and secures a net gain in funding from the EU). Recruitment and retention of specialist staff from EU Member States is already compromised, and the considerable uncertainty over the freedom of movement of goods and people is inhibiting forward planning, European partnership projects and procurement. The uncertainty has also lead to challenges in securing donor and sponsorship investment.

Much of what is considered in this paper is a more strategic use of existing public investment and exploring ways in which investment, tax systems and governance can best support the operation of 21<sup>st</sup> century museums. There are two areas where greater investment is proposed: to support museums' digital development and the infrastructure required to this; and transition to a financially sustainable future for local and regional museums.

NMDC and its members would welcome the opportunity to discuss in further detail the ideas included here throughout the next phase of the Museums Review, and will submit more detailed evidence on the themes in due course.

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<sup>1</sup> Culture White Paper 2016: museum sector submission:  
[http://nationalmuseums.org.uk/media/documents/responses\\_position\\_statements/culture\\_white\\_paper\\_submission.pdf](http://nationalmuseums.org.uk/media/documents/responses_position_statements/culture_white_paper_submission.pdf)

## A. Local and regional museums

### Opportunities

1.1 The strength, breadth and quality of the UK major civic collections is possibly unique across the world, and the presence of world renowned collections – as well as staff expertise and landmark museum buildings – right across the country is something to celebrate. 74 regional museums hold Designated Collections (collections of national and international significance not held in a national museum) and 7 of the last 10 winners of the prestigious Art Fund Museum of the Year has been a non-national museum. The UK's independent museums are popular and entrepreneurial, and university museums more connected to the wider museum sector and focused on public engagement than ever before. The UK museum sector is more vibrant, popular and internationally respected than it has ever been. Visitor numbers have never been higher: there were over 72 million visits to the museums within NMDC's membership in 2014-15, including 14.3 million visits to the English Major Partner Museums alone.

1.2 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. Museums are popular because of the quality of their collections and public engagement. They foster curiosity and creativity and create a local environment which helps attract and retain workers, and are a significant contributor to what makes a place attractive to live in, work in and visit.

1.3 The Chancellor announced major changes to the structure of local government in both the 2015 CSR and the 2016 Budget. Much of this focused on the devolution of power and spending decisions from Whitehall to town halls, and the creation of combined authorities and city regions (in some cases to be led by a Mayor), where decisions and spending will occur across multiple local authorities. An impact of devolution of additional powers from central government to either regions or first-tier authorities has been "secondary devolution", where a higher tier of local government has devolved a responsibility to a district or town council. This has happened with culture. Although also a challenge, devolution is an opportunity to reinforce the importance of museums to place-making and delivering public policy priorities.

1.4 Museums help foster a strong sense of community – understanding difference and sharing commonalities – by participation in civil society to celebrate, commemorate or help in times of crisis. Few other civic institutions have the public trust, collections or national network to mastermind large scale acts of remembrance, like the Centenary of the First World War (led by the IWM). Museums are also a safe, inclusive and egalitarian space for all members of the communities they serve and have a key part to play in promoting a tolerant, diverse and cohesive society.

1.5 Universities represent one of the most important catalysts for economic and social development in a place or region. Their investment in the physical infrastructure and ensuring a place is attractive to potential staff and students spark investment, and drive the local knowledge economy. There are many examples of museums and universities working more strategically together – on programmes, research, shared services, shared staffing – as well as examples of universities playing a greater part in ensuring the viability of local museum infrastructure.

### Challenges

1.6 The marked and rapid reduction in the investment in museums made by some local authorities represents the most serious and immediate challenge to the future vitality of the sector. It should be noted that, despite the challenging financial pressures, some local authorities have maintained their funding for museums, citing it as an investment in economic

development, improving health and well-being, and encouraging tourism. Arts Council England remains committed to offering significant support to regional museums, but will not be the sole provider of core investment.

1.7 There has been a significant and rapid reduction in local authority budgets caused by the significant cuts made to the budget of the Department for Communities and Local Government (CLG). In some places these have been compounded by the removal of the tailoring of local government block grants to local demographics and the long-term increase in the cost of statutory services. Local authorities' ability to generate income through raising council tax has also been restricted, as they are now unable to raise this by more than 2% each year (although as of April 2016, local authorities are able to levy a 2% adult social care precept).

1.8 It was announced in the 2015 CSR that by 2020, local authorities will be able to retain 100% of revenue from local business rates (this is being trialled in Manchester, Liverpool and London). It will be accompanied by a phasing out of the block grant from CLG, and the devolution of additional spending responsibilities (such as public health). The long-term impact on local authority finances is unclear, although it is feared that those areas suffering greatest economic challenges (and consequently the higher statutory services costs) may be those least able to raise sufficient income from business rates.

1.9 These changes may be yet compounded further by the financial impact of the UK's exit from the EU. Structural EU funding supports areas of the UK where there is greatest need for economic and social development. These may be areas most likely to have higher statutory costs and fewer contributors to business rates.

1.10 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.

1.11 Although important to local place-making, museums are rarely represented within the decision-making processes of Local Enterprise Partnerships. The success of the West Anglia Cultural Board and the representation of Cornwall Museums Partnership on the Cornwall and Isles of Scilly LEP demonstrate that it is possible to more fully involve museums in local economic planning.

### Next steps

1.12 Local authorities, Government, HLF, Arts Council England, Higher Education Institutions and museums should work together to ensure continued public investment that is strategic and efficient, and the conditions are created for museums to maintain and build on their success. This can be achieved by:

- Enabling museums to seek best value from their assets and ensure there are no unnecessary barriers to enterprise;
- Celebrating the contribution museums make to public policy priorities and fully integrating museums into regional policy and economic planning (including having an enhanced role in Local Enterprise Partnerships), and community development;
- Investing in transition to help museums continue their successful evolution to a more financially sustainable operating model which protects previous investment, and is

suitable to the economic and social circumstances of their locality and the nature of their collection; and

- Thinking creatively and ambitiously about how museums can work together for mutual benefit and to ensure most effective and efficient use of resources across the whole sector.

1.13 In addition, the following could also be considered:

- Following the success of the new freedoms and flexibilities granted to national museums, Government should encourage local authorities to adopt a similar policy. This is explored further in the remainder of this paper.
- Brokering more strategic place-based partnerships and investment in museums and actively promoting the impact of museums on place-making publicly, within Government and to local business and civic networks.
- Championing the role of museums in local and regional economic and cultural strategies, particularly relating to city-branding, tourism and inward investment.
- Reviewing tax and governance arrangements to ensure that greatest public benefit is sought from public investment, donations and earned income.

## B. Sector-wide challenges and opportunities

### 1. Digital

#### Opportunities

1.1 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 changes. Evidence suggests that a vibrant digital presence drives deeper engagement and physical visits, and enables museum content to be used more widely. As well as being used for teaching and collections research, digital content has been used as the basis for health and well-being projects (such as National Museum Liverpool's *House of Memories*), scientific research into contagious disease and climate change, and commercial partnerships. 1 billion downloads have been made of the NHM's 3 million online digitised specimens and this demonstrates demand for access to digital content.

1.2 Digital presents the opportunity to ensure greater efficiencies in the running of the whole museum, to better use data to analyse audience and donor behaviour, and to consider macro-collections management across the whole of the UK. It may also be possible for museums to create digitisation hubs, offering opportunities for joint working and sharing digital expertise across and beyond the museum sector (the example of Blythe House demonstrates the economies of scale possible through working in partnership).

#### Challenges

1.3 The museum sector needs to meet the long term challenges of digital preservation, digitisation of collections, changing audience expectations and digital engagement. This should be through consideration of the wider digital infrastructure of the whole sector (as has happened in the Netherlands) rather than through the present piecemeal approach. Although a priority for DCMS, a more strategic approach would be welcome (and may be possible through the Digital Cultural Review). The levels of public investment in the digitisation of large collections in the UK compares unfavourably to European and US counterparts, and the EU Exit may further reduce investment if the UK no longer has access to the networks and finance for mass digitisation and research projects.

1.4 Digitisation of collections creates a second collection for a museum to care for, store and provide public access to: the selection of what is digitised has to be made strategically. The challenge of digitising the largest collections (particularly those of the national museums and university collections) will only be met with significant investment.

1.5 Many local authority-run museums operate under a system which seriously compromises their ability to create digital content and engage users. Some do not have their own independent website and so their web presence is restricted to pages within the Council site. These museums are thus unable to take advantage of digital innovation, manage bookings and retail through online facilities, generate income online or build digital capability within their workforce. Furthermore, it can be challenging for local authorities to appreciate the importance of digital development, and this, combined with the IT structure, can mean that museums are able to make best use of systems they already subscribe to.

1.6 There are two further challenges: how to reliably and conveniently aggregate digital content for developers from a permanent platform (as every new project – including Art UK – has to assemble content from every participating institution); and how to build digital competency and skills across the museum sector.

#### Next steps

1.7 The prioritisation of digital and access by DCMS' Ministers is welcome, and Government

departments, HLF, ACE, BBC, universities and others could consider a more strategic approach to digital infrastructure. This could be comprised of:

- Significant strategic investment in the creation of digital content, the digitisation of nationally significant collections and collections that need digitising for preservation, and in storage for digital content.
- Explore ways of sharing expertise regionally or across types of collections, and to broker external partnerships including with universities, archives and libraries.
- Explore ways to improve skills across the whole sector.
- Secure digital independence for local authority-managed museums, and a challenge fund to improve the digital infrastructure of small and medium-sized museums.
- Incentivise and broker partnerships with end-users of museums' digital assets.
- Explore the viability of a perpetual data aggregator for museum collections to open up collections to a wider range of end-users.
- A commitment from the sector to a Digital Plan for museums, including common standards and practice.

## 2. International

### Opportunities

2.1 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.

2.2 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. The soft power of museums has never been more pertinent as the UK seeks to manage the impact of the result of the EU Referendum.

### Challenges

2.3 Whilst more museums are and wish to work internationally, three challenges remain and the EU Exit presents a fourth. Starting up new projects and establishing new relationships can be challenging irrespective of the size of the museum. Museums would benefit from a more sustainable support structure of knowledgeable staff within organisations (such as UK Government, British Council, Arts Council England and within museum networks) who are able to signpost and establish new opportunities, and help broker partnerships. The most productive relationships between the British Council and larger museums are those where the British Council is able to broker and facilitate partnerships for museums, as has happened with British Council Brazil.

2.4 Larger museums struggle to access some of the significant existing funds available through Government – such as the Soft Power and Prosperity Funds - because they are not made aware of how to apply or are supported to do so. Similarly, small-scale start-up finance (particularly for travel and initial development) is difficult to access, and there are few small travel grants or bursaries for staff exchange (it should be noted that HLF rarely supports international activity). The Working Internationally travel grants (open to English non-national museums) were over-subscribed, thus demonstrating the demand.

2.5 Communication about participation in Ministerial overseas visits and Government-wide initiatives is ad hoc and may not always reach all those who would be able to make a contribution. Despite briefing, there are concerns about the level of awareness of the extent of museums' international activities and ambitions within Arts Council England, DCMS and the British Council.

2.6 It should be noted that the exit from the EU is leading to some uncertainty about the future of international partnerships. Although museums' relationships with European partners are based on the commonalities of collections and expertise and many exist outside of the European Union structure, there are concerns over the future of funding, exclusion from networks and challenges associated with changes to the free movement of people and objects.

### Next steps

2.7 In order for museums to fulfil their international ambitions and for the impact of this work to be fully realised, the British Council, UK Government and, for non-national museums, Arts Council England could work more closely with the whole museum sector, and do so more strategically together. The following could be considered:

- Provision of investment – including having DCMS' support to apply for existing Government funds – and smaller start-up or travel grants which are difficult for museums to secure or justify from core revenue investment.
- 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.
- Ensure that DCMS, 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 of cross-government initiatives such as Ministerial visits, summits and the GREAT campaign.
- Continue to support measures that aid international working, such as the Government Indemnity Scheme.

## 3. Working in partnership

### Opportunities

3.1 Museums develop partnership projects with other museums, collections and historic sites across the UK. Partnerships are based around the sharing of collections and knowledge in a way which benefits all those involved. Working in partnership enables museums to reach a broader audience and learn more about their collection, as well as being able to focus on an aspect of their collection, professional development or audience which may not otherwise have been possible.

3.2 Traditional methods of developing partnerships – such as loans and staff exchanges – remain popular. Partnership galleries, long-term loans and spotlight loans increase access to both national and local collections, whereas placements and subject specialist networks ensure knowledge and good practice is shared across the museum sector.

3.3 Nevertheless, the means by which museums work collaboratively are becoming ever-more numerous and creative, and cover almost every aspect of a museum's operation. Digital technology opens up greater possibilities, as do the opportunities to work with community organisations, artists and universities. By working collaboratively, all museums are able to make the most of the expertise in both national and non-national museums, through endeavours like joint apprenticeships, strategic training programmes and joint digital projects.

3.4 As the economic, social and technological context within which UK museums work continues to change rapidly, working together is an effective way to help museums retain collections expertise, fully embrace new opportunities and increase access to both national and local collections and the stories these can tell.

3.5 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. The Cornwall Museums Partnership, Humber Museums Partnership, Tyne and Wear Archives and Museums, and the Manchester Museums Partnership have all demonstrated the benefits of a group of museums in a locality formally or informally sharing some functions as a way of ensuring their income has greatest public impact. Norfolk Museums Service shows the long-term benefit of region-wide management of museums and heritage.

3.6 Partnerships between collections, including through the existing Subject Specialist Networks, present opportunities for sharing knowledge and joint programmes across very differently managed organisations across the sector.

3.7 Many museums have long worked with Higher Education Institutions, particularly on research, fieldwork, teaching and some public programming. There is a significant opportunity to develop ever-more innovative and strategic partnerships with Higher Education Institutions, particularly if those are either based on the commonalities of place or subject interest.

3.8 Museums deliver impact on a number of public policy priorities. NMDC's *Museums Matter* explores this further.<sup>2</sup> In order to encourage wider access to their collections, museums work in partnership with businesses, education providers, community organisations, health and well-being providers, charities, other civic institutions and sports clubs.

### Challenges

3.9 The single biggest challenge to partnership working across the museum sector is the financial sustainability of local and regional museums. However innovative and responsive the partnerships work of larger museums or universities, if there is insufficient capacity within partner organisations the project will not reach its potential and may not happen at all. For partnerships to work and to have a positive and long-lasting impact and sustainable legacy for museum staff and audiences, they have to have the active involvement of all partners.

3.10 Managing the expectations and understanding the different perspectives of variously sized and run museums remains a perennial challenge. Although there has been a focus – particularly politically and through DCMS KPIs – on lending objects from larger institutions, developing partnership projects which highlight the richness of local and regional collections,

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<sup>2</sup> <http://www.nationalmuseums.org.uk/what-we-do/museums-matter/>

support the sharing of expertise and providing a national framework for locally-created activity on a theme, all provide the basis of mutually beneficial endeavours.

3.11 Advocating for museums' impact on public policy priorities can be challenging and may inhibit the ability to seek suitable partners. Celebrating and promoting the impact of museums on public policy priorities would help open up opportunities.

3.12 Many larger museums work in partnership across the whole UK; however it can be difficult to secure funding for projects which work across the four Home Nations, restricting the opportunity and capacity for cross-border partnerships.

#### Next steps

3.13 The sector is already well-networked and collections work in partnership with both museums and non-museums across the UK: however, with support, more can be done and could help alleviate some of the challenges facing the sector. However, for larger museums – including nationals – to maintain and continue to work in partnership there has to be a financially sustainable local and regional sector. To ensure museums build on their existing partnerships, the following could be considered:

- Whilst acknowledging the importance of lending objects from national museums to non-national museums, existing public and lottery investment should support partnerships between museums of all sizes that also focus on the sharing of knowledge, staff, services and, where practical, functions.
- National museums each find the most appropriate way for that collection of meeting the “national” element of their remit, although this is infrequently articulated in Management Agreements and the KPI assessing this (numbers of objects lent) could be reconsidered. Partnership work has a cost – staff, creation of content and logistics of moving objects and people – and this is frequently covered through earned income and trusts.
- Sufficient and strategic investment in, and support for, existing networks such as the Museum Development Network by Arts Council England would allow them to be a means to facilitate local and national partnerships with both museums and non-museums. Similarly, the potential of other existing networks could be further explored, such as Subject Specialist Networks as a means to tackle knowledge sharing and alleviate some of the effects of a loss of specialist expertise (in both collections and administration).
- The need to ensure greatest transparency in the process of lending from large collections is acknowledged and work on this will continue. However, whilst the Arts Council England's recent investment in Preparing to Borrow is welcome, investment in capacity building (as well as capital) at the recipient museums is also required. Maintaining measures which support the lending and borrowing of objects and improvements of galleries should be maintained, including the Government Indemnity Scheme and the Wolfson/DCMS Galleries Improvement Fund.
- Explore ways to broker innovative and sustainable partnerships between museums and universities, building on existing good practice. Encourage the use of public investment to support the development of strategic partnerships with other civic or knowledge institutions, as well as the development – where appropriate – of formal or informal arrangements to share functions.
- Promoting and incentivising the impact museums have on wider public policy priorities, including with other Government Departments, would help in the process of developing partnerships regionally. Signposting existing funding opportunities, particularly within Government, would assist museums.

#### 4. Workforce

## Opportunities

4.1 The museum workforce is unusual as it requires a wide range of entry levels and skills: from roles in visitor services and catering; to crafts and trades, such as gardeners and technicians (now frequently supported by apprenticeship programmes); to specialist roles such as curators, accountants and directors. UK museum specialist expertise is world-class and sought after internationally.

4.2 Museums also benefit from the support of an engaged volunteer workforce and museum partnership projects frequently involve staff exchanges, which can help professional development. Programmes such as the HLF's *Skills for the Future* programme have demonstrated ways in which it is possible to provide a more accessible entry route into the sector.

4.3 There are notable examples of developing qualifications and working with specialist training providers (such as the V&A training for technical support which leads to NVQ qualifications), or working in partnership with Higher Education institutions to deliver specific training (Leeds Museums and Leeds University work together to deliver training for registrars, for example). These enable career progression and provide professional development that is recognised beyond the museum sector.

## Challenges

4.4 One of the consequences of the reduction in public investment has been the decline of specialist staff, with museums making savings by not replacing those who leave or retire and restructuring posts to include a broader range of responsibilities. The permanent workforce is now smaller, with staff being employed on a project-by-project basis and museums more frequently drawing on the services of an increasing number of consultants. Anecdotally, those with permanent posts are staying longer in them.

4.5 The UK's exit from the EU presents a specific challenge regarding the retention and recruitment of skilled staff from EU countries. There is a risk that the uncertainty over the future of EU nationals – both those working in UK museums presently and those who may in the future – will inhibit UK museums from being able to attract those with the very specific skills and knowledge required.

4.6 Pay in the museum sector can affect recruitment and retention of staff, and supporting museums to pay at a level which benchmarks with like professions such as teaching, academia and the civil service may help retain skilled staff in the UK sector. The sector also lacks diversity in professional and specialist roles (particularly in terms of social background and ethnicity) and attention needs to be given to understanding why this is. Apprenticeships have provided one partial solution, but may not be appropriate for roles. Similarly, recent decisions to cease offering Archaeology and History of Art at A Level may have an impact on access to these professions and seems inconsistent with DCMS' desire to increase diversity within the workforce.

4.7 Although programmes such as the Clore Leadership Programme provide valuable leadership development, professional development – particularly for identifying and developing future leaders – is ad hoc and funded on a project-by-project basis by Arts Council England.

## Next steps

4.8 Museums will only continue to have the impact they do if they continue to attract talented staff and those with specialist expertise. Government, HLF and Arts Council England could be encouraged to work with museums and their representative bodies to identify ways

to mitigate the impact of the EU Exit, to increase workforce diversity, promote quality strategic professional development and support leadership.

4.9 It may be possible to consider how specialist skills are shared across the sector, and where partnerships can be developed with higher education institutions to help mitigate the loss of specialist curatorial and conservation knowledge.

## 5. Tax, governance and diversifying income

### Opportunities

5.1 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). As these are new ways of working, they are still being implemented and require a period of stability to ensure that they have the desired effect. In-year cuts, for example, would be particularly damaging.

5.2 HM Treasury acknowledged the unique operating model of museums with its announcement of a tax relief on touring and temporary exhibitions, which is welcomed by the sector. The Cultural Gifts Scheme and Acceptance in Lieu continue to be significant mechanisms to encourage giving and Gift Aid recognises museums' charitable purpose. One way in which Government can best support museums – regional, national and independent – is through ensuring that the tax system acknowledges the unique characteristics of museums.

5.3 A beneficial business rates environment is one of the key ways in which the government supports museums. Over half of 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.

### Challenges

5.4 The way in which museums operate has significantly changed over the past twenty years as museums have adapted to new visitor expectations, changing political landscape, technology and changes to public investment. They have become more entrepreneurial whilst still maintaining their core purpose to care for and provide public access to their collections. This is not always recognised within the tax system, how they are governed or through financial systems.

5.5 Furthermore, future changes to business rates present a real threat to the economic stability of some museums, as more local authorities remove their discretionary relief and the revaluation rates of museums lead to increased costs. There are further complications about the levelling of different rates across a museum's estate, treating retail and catering as wholly commercial, even where profits through the trading company are returned to the museum.

5.6 There has been much consideration of the benefits or otherwise of the operation of a museum service moving from local authority to an independent charitable trust. This can be a simplistic reduction of the operational challenges facing museums, and research has suggested that the success of a local authority-owned museum service may be more dependent on the political and financial support from the local authority, the degree to which the day-to-day operation is understood, and the flexibility which the museum has to manage its own operation.

## Next steps

5.7 Government should work closely with museums to understand the specifics of their operation and their public purpose and consider mechanisms which ensure that the tax system recognises their unique characteristics. The tax system should be one which encourages philanthropy and corporate investment, as well as ensuring that museums can most effectively use the income they earn for their charitable purposes.

5.8 Following the success of the freedoms and flexibilities offered to the national museums, Government – as part of considering the future sustainability of local and regional museums – should consider where it might be able to celebrate this success and, where appropriate, encourage local authorities to work with museums to ensure the sponsorship arrangement places neither unnecessary barriers to enterprise, nor reduces the public value of the investment they make.

## 6. Collections

### Opportunities

6.1 Collections form the basis of everything museums do, and are the reason museums have such significant public impact. A dynamic museums sector should be supported by dynamic collections development. Museums need to provide for both current and future audiences by continuing to acquire material which reflects present culture, society and creativity, and continue to build trust with donors who give their collections to the nation by maintaining specialist curatorial knowledge and high standards of collections care.

6.2 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. However, there are numerous examples of successful joint storage projects where the institutions are in close geographical proximity or their collections are similar (such as the ships model store at Chatham Historic Dockyard, managed by Royal Museums Greenwich).

6.3 Museum collections are used for significant research projects securing significant international research investment. A number of national museums are officially recognised as Independent Research Organisations.

### Challenges

6.4 The management of collections is understandably complicated and needs to constantly be reviewed. However, there are some specific challenges. The financial instability of the local and regional sector raises the possibility of, at worst, orphan collections, and at best a need to consider collections rationalisation. There is little macro collections data available demonstrating the totality of what is in public ownership across the sector.

6.5 Collections care is a high fixed cost and is not an area of museum operation where it is easy to make efficiency savings. Furthermore, it can be difficult to justify acquisitions, despite the risk that a pause in collecting fails future generations. The Export Licencing system also presents some challenges in purchasing works for the nation after an Export Bar has been put in place.

6.6 The EU Exit has prompted uncertainty about the impact on the management of collections, particularly the movement of collections between the UK and Europe. It also places at risk significant research funding for programmes which UK museums would have led and would be difficult to replicate on a national scale.

## Next steps

6.7 It is difficult to envisage a Museums Review which would not explore where and how collections management could be improved. Future lines of inquiry could include storage, collections data, mitigating the immediate effects of the challenges facing local and regional services, and the impact of the EU Exit.

6.8 Museums could benefit from greater support from the Government, HLF and Arts Council England to promote the importance of public collections and celebrate the impact of collections and associated expertise.

6.10 Museums could benefit from wider recognition and promotion of their contribution to research, and, where a museum is an Independent Research Organisation, the work they lead. Taking immediate steps to address the concerns relating to the impact on collections of the EU Exit is particularly pressing.