**Museums Association Submission to House of Commons Culture Media and Sport Committee Inquiry into the work of Arts Council England**

**Summary**

1. The Museums Association is a membership organisation representing museums of all types and sizes, throughout the United Kingdom. Established 125 years ago it is the largest organisation representing museums in the UK.
2. Opinion is divided amongst members in England as to whether the distribution of ACE funding and support for museums is fair and equitable.
3. We hope that ACE will put a greater focus on the impact of museums, as set out in the Museums Association document *Museums Change Lives*.
4. Rebalancing Our Cultural Capital valuably draws attention to the imbalance in revenue funding for museums (and culture generally) in different parts of England. Museums bring many benefits to individuals and communities and, as with other public services, museums’ cultural, social and economic benefits should be available to people, wherever they live in England.
5. Museum benefits include individual wellbeing, learning, community cohesion and identity, and economic activity and employment, for example through attracting tourism. It is notable that although people in many parts of England have regular access to international quality performing arts, they do not have the same local or regional access to a similar standard of visual art or other subjects regularly represented in London-based museum and gallery exhibitions.
6. Many museums outside central London are suffering, or anticipating, harsher cuts than DCMS-funded nationals because of their heavy reliance on local authority funding. In many local authority-funded museums there is a palpable sense of looming crisis. This is exacerbated as there is far less opportunity to raise philanthropic funding outside central London.
7. The Heritage Lottery Fund appears to have achieved a less inequitable geographic distribution by region of (largely capital) funds. There may be useful lessons that DCMS and ACE can learn from HLF’s approach.
8. Rebalancing Our Cultural Capital usefully draws attention to the deeply problematic matter of public policy which government and national organisations should address constructively. We are disappointed with many national organisations’ rather defensive response to Rebalancing Our Cultural Capital. There may be varying interpretations of the data, which was drawn from ACE and government sources, but government and national organisations should respond constructively.
9. We hope that discussion about the changes that are needed will be led by those with national responsibility, particularly ACE and DCMS, who should work with the museum sector and HLF to find ways to change funding distribution to become more equitable. They also should take the lead on planning a future for museum provision in England that realistically takes account of what money is likely to be available and from where.
10. Faced with financial pressures, a few organisations are considering sale of items from their museum collections. The Museums Association believes this is acceptable only in exceptional circumstances.
11. **About the Museums Association**

The Museums Association is a membership organisation representing and supporting museums and people who work for them, throughout the UK. Members include all types of museums, from small volunteer-run locals to large nationals and people working in all types of roles from directors to trainees. Founded 125 years ago, in 1889, the MA was the world’s first professional body for museums. We lead thinking in UK museums with initiatives such as *Collections for the Future*, *Sustainability and Museums, Museums 2020* and, most recently, *Museums Change Lives*. We receive no regular public funding, and we do not wish to do so.

1. **About museum funding in England**

There are four main types of museum in England:

**Independent** These museums are usually constituted as charitable companies limited by guarantee. Examples include Dulwich Picture Gallery, the Mary Rose and many industrial and local museums. With some exceptions, they tend not to have any regular public funding, instead generating their own income each year from a combination of trading (retail, catering, events, venue hire), fundraising (charitable, private and Heritage Lottery Fund) and admission charges – although some smaller independent museums offer free admission. Some independent museums still receive small amounts of local authority funding. In recent years some have received Arts Council strategic funding or, in a few cases, Arts Council Major Partner Museum funding (for example, Ironbridge Museums and the Bowes Museum). Currently, many independent museums are thriving as they embrace new business opportunities and models of social enterprise. Others are struggling financially as their local authority support is cut.

**Local Authority Museums** These museums include many major regional museums, such as Bristol Museums and Art Gallery and Manchester Art Gallery, and many local museums. The collections and buildings of these museums are usually wholly owned by a local authority and, in most cases, staff are directly employed and managed by the local authority. There is a growing trend to contract out management of the museum (and employment of staff) to a specially created charitable company, with the majority of its funding being provided by the local authority, but increasing amounts raised from other sources; examples include Luton Museums and Birmingham Museums. Local-authority museums comprise the majority of Arts Council Major Partner Museums and many have received Arts Council strategic funding. Most, but by no means all, offer free admission. Many, but by no means all, are suffering sharp cuts in local government funding and face increasingly deep cuts over the next two to three years.

**National Museums** National Museums exist under statute and are quangos governed by trustees, many of whom are government-appointed. The great majority are located in London; examples include the National Gallery and Imperial War Museum. Some London-based nationals have branches elsewhere, such as Tate St Ives and the National Railway Museum. A small number of nationals, such as the Royal Armouries and National Museums Liverpool, are located outside London. They receive significant central government funding, usually from DCMS, and those in London generate increasing amounts of their own income from trading, fundraising and charging for events and exhibitions. With a few exceptions they offer free admission to their core collection displays. National museums are not eligible for most types of Arts Council museum funding. National museums have seen significant actual or planned reductions in the DCMS funding and are working hard to try to cut costs (including staff) and generate alternative sources of income, which appears easier in London than in other parts of the country.

**University Museums** University museums have a variety of governance structures but are generally part of their parent university and managed and funded by the university. Examples include the Ashmolean and Fitzwilliam Museums, Manchester Museum and the Barber Institute. In many cases the university receives special funding from the Higher Education Funding Council for England towards some of the costs of the museum. Some university museums generate increasing amounts of income from external sources. Some university museums receive Arts Council strategic funding; a few are Major Partner Museums. University Museums are generally not experiencing significant cuts in support from their parent universities.

**3. Arts Council Funding for Museums**

Opinion is divided amongst members in England as to whether the distribution of ACE funding and support for museums is fair and equitable. It took on responsibility for regional museums when the government closed the Museums Libraries and Archives Council and has worked hard to engage with museums and understand them. It has also begun to explore the benefits of connecting museums more closely with the rest of the cultural sector. It has made funding available to a wider range of museums than under the Museums Libraries and Archives Council, although some museums nevertheless tell us they find it harder to access funding, especially funds for small projects and programmes that were available in the past. This may, in part, be because many Arts Council decisions appear to be based fairly strongly on (otherwise excellent) relationships between museums and Arts Council ‘relationship managers’. We welcome the fact that ACE is asking Major Partner Museums to be more explicit about the leadership they intend to show.

A critical point is that Arts Council’s ‘five goals’ are not always a good fit for museums. They focus too strongly on concepts of ‘the artist’ and artistic ‘excellence’ that simply do not translate well to modern museums. Furthermore, they do not give enough weight to the impacts museums increasingly have in areas such as education, health and wellbeing, place making and other aspects of community development. We have set out what museums can achieve in these areas in *Museums Change Lives*, the Museums Association’s vision for the impact of museums. Would like to see Arts Council's quite correct priority for quality equalled by attention to museums’ social impacts. **We hope that ACE will put a greater focus on the impact of museums, as set out in Museums Change Lives.** We also hope that ACE will encourage other parts of the cultural sector to learn from the success of many museums in broadening audiences and being inclusive.

1. **The regional funding imbalance**

**A brief history** There has been an imbalance in museum funding between London and the regions for decades, arguably for generations. This is primarily a result of the concentration of national museums in London. (There are many other types of museum in the capital that are poorly funded; as with London’s population, its museums display extremes of wealth and poverty.) In the 1980s, many national museums gained more freedom from government and were encouraged to raise their own funds, which they were allowed to retain and use for improvements. (Something that is still not permitted for some local authority museums.) Generally speaking, as national museums made good use of their position in London to raise increasing amounts of money, and as the wealth of the financial sector grew and foreign nationals settled in central London their central-government funding held firm. For those nationals that once charged for admission, central-government funding increased significantly when admission charges were removed. In contrast, by the early 2000s there was a growing sense that regional museums were in crisis. This led to the introduction for the first time of regular central government funding for major regional museums as part of a scheme called Renaissance in the Regions. This funding continues today, mainly in the form of Arts Council strategic funding and support for Major Partner Museums, and continues to be critical to funding the services offered by regional museums.

**Rebalancing Our Cultural Capital valuably draws attention to the imbalance in revenue funding for museums (and culture generally) in different parts of England.** The Museums Association believes the report, alongside large cuts in funding (see below) presents an historic opportunity to talk seriously about the imbalance in funding and ways of addressing it. The assumptions on which the decades old framework for arts and museums funding were based no longer apply. The whole system is broken and needs a thorough review and reform.

1. **Who benefits from museums?**

**Museums bring many benefits to individuals and communities and, as with other public services, museums’ cultural, social and economic benefits should be available to people, wherever they live in England.** There is growing appreciation and understanding of the wide benefits successful museums bring to individuals and communities. **Museum benefits include individual wellbeing, learning, community cohesion and identity, and economic activity and employment, for example through attracting tourism**. One argument raised in favour of higher levels of funding to national museums in London is that they attract tourists and so support employment. Current regional patterns of unemployment suggest that there would be merit in increasing museum activity in other parts of the country. The people who are the most disadvantaged by the present system are those in the poorer sections of society who, if they live outside London, are totally unable to derive any benefit from major investment in the capital city.

**It is notable that although people in many parts of England have regular access to international quality performing arts, they do not have the same local or regional access to a similar standard of visual art or other subjects regularly represented in London-based museum and gallery exhibitions**. It is unusual for any major London art exhibition to appear in a regional city. National museums do from time to time tour small exhibitions to regional museums, often developed in partnership with regional museums, but these exhibitions are rarely, if ever, of a standard and extent equal to the major exhibitions they organise in London. (This is a rather different situation to, say, theatre, where people in regional cities do have local access to significant performances.) It should also be noted that most major regional museums lend works of a finer quality to nationals in London for London-based shows than they expect to receive in the touring shows from London. DCMS no longer offers ‘Strategic Commissioning’ funding for partnerships between national and regional museums. Museums improve people’s quality of life. It therefore follows that those who do not have the opportunity to experience museums do not have an improved quality of life.

1. **A crisis in local authorities?**

Generally speaking, local authorities have been powerful supporters of their museums, typically funding and investing in what is, after all, a non-statutory service, for over a century. They recognise the benefits museums bring to their areas. Some continue to invest in improving their museums. However, faced with deep cuts, many local authorities are now questioning whether they can support any non-statutory services, including museums. The potential scale of reduction in local-authority museum services, the main source of provision in most parts of England, is unprecedented. There is also an impact on funding for some independent museums. The Museums Association’s annual survey shows that from July 2012 – July 2013:

* 49% of responding museums experienced a cut to their overall income
* 23% of respondents saw their overall income decrease by more than 10%
* 37% of respondents cut staff
* 47% of responding museums increased the numbers of volunteers and interns

This is on top of similar levels of cuts in the previous two years.

Local authority museums in particular face continuing cuts, in some cases increased cuts, in future years. To address this, some are contracting management of their museums to specially created charitable trusts, which can bring immediate savings, primarily because the new organisation is generally eligible for charitable rates relief. In the medium-term, the trust will tend to have greater ability to raise external funds and reduce expenditure further if future staff are employed more cheaply, on worse terms and conditions. However, there are risks as there is no guarantee of the ability of the parent local authority to continue its funding long-term.

The critical point is **many museums outside central London are suffering, or anticipating, harsher cuts than DCMS-funded nationals because of their heavy reliance on local authority funding. In many local authority-funded museums there is a palpable sense of looming crisis. This is exacerbated as there is far less opportunity to raise philanthropic funding outside central London.**

1. **HLF: A more equal distribution of funding**

**The Heritage Lottery Fund appears to have achieved a relatively equitable geographic distribution of (largely capital) funds. There may be useful lessons that DCMS and ACE can learn from HLF’s approach**. HLF museum and gallery spend in England (excluding small projects) is as follows from April 1994 - March 2013.

|  |  |  |  |
| --- | --- | --- | --- |
| **Region** | **Value of awards 1994-2013 (£m)** | **Value of awards 1994-2013 (%)** | **% of population** |
| East Midlands |  45.06  | 3.29 | 8.5 |
| Eastern |  99.03  | 7.26 | 11.0 |
| London |  446.26  | 32.67 | 15.5 |
| North East |  78.84  | 5.77 | 4.9 |
| North West |  181.77  | 13.31 | 13.4 |
| South East |  199.70  | 14.63 | 16.3 |
| South West |  125.53  | 9.19 | 10.0 |
| West Midlands |  77.74  | 5.69 | 10.5 |
| Yorkshire and The Humber |  111.79  | 8.19 | 9.9 |
| **England total** |  **1,365.72**  | **100.00** | **100.00** |

Source: figures supplied to Museums Association by HLF, February 2014

This a somewhat more balanced spread of funding than that achieved by DCMS for museums (or by ACE for its non-museum funding)**.**

1. **Correcting the Imbalance**

**Rebalancing Our Cultural Capital valuably draws attention to a deeply problematic matter of public policy which government and national organisations should address constructively.** The issue is not, of course, a simple one of London vs Manchester or Newcastle. In an ideal world, the solution would be to increase funding closer to London levels throughout the UK, but that is unlikely in the foreseeable future, so more creative solutions need to be found.

**We are disappointed with many national organisations’ rather defensive response to Rebalancing Our Cultural Capital. There may be varying interpretations of the data, but government and national organisations should respond constructively.** It is understandable that national organisations should be embarrassed by some of the report’s findings, but it is regrettable that a typical response appears to have been to attempt to undermine the report’s research, followed by attempting to ignore it. **We hope that discussion will be led by those with national responsibility, particularly ACE and DCMS, who should work with the museum sector and HLF to find ways to change funding distribution over the next years and decades.** The response from DCMS has been negligible; yet, as far as museums are concerned, it is principally the pattern of DCMS funding that is the major contributor to regional inequality. We still hope for a higher level of interest and analysis from the government and its ministers.

The museums sector needs a new financial framework that meets the needs of large and small regional museums as well as nationals. DCMS and Arts Council should set benchmarks to achieve a better balance over the next 3, 5 and 10 years. **They also should take the lead on planning a future for museum provision in England that realistically takes account of what money is likely to be available and from where.** There appear to be a number of possibilities worthy of investigation, which we offer here merely as a starting point for the discussion we hope will be instigated by DCMS and ACE:

* A properly planned approach to exhibitions in regional venues. So that, for example, normally every exhibition that shows in London will show in at least two regional venues.
* DCMS/Wolfson funding for museum improvements to be focused outside central London
* New directions from government to HLF about the geographic distribution of funding, especially funding for activity (rather than capital). Although HLF is not a significant cause of the problem of unbalanced funding, it could be a significant part of the solution
* Reallocation of some DCMS funding for museums to allow more to be allocated to regional museums by Arts Council
* Tax breaks on acquisition of works of art to prioritise regional museums (which would then of course be free to lend items to London museums from time to time)

**9. Sales of Collections**

**Finally, faced with financial pressures a few organisations are considering sale of items from their museum collections. The Museums Association believes this is acceptable only in exceptional circumstances**, otherwise it risks betraying public trust and running counter to public expectations that museums hold their collections in perpetuity (as is specified, for example, in the legislation controlling the national museums). The Museums Association’s Code of Ethics allows sale of collections in certain exceptional circumstances, where there will also be a significant increase in long-term public benefit from the remaining collection. In collaboration with Arts Council (and equivalents in other UK nations) we are publishing new guidance on sale of collections. We are pleased that even after exploring sale of collections the vast majority of museum governing bodies choose to adhere to the requirements of the Code of Ethics. There have been extremely few irresponsible, unethical sales of collections. (A recent exception is Croydon Council’s disgraceful sale of Chinese ceramics.) However, we fear that as financial pressures on local authorities mount, some may be tempted to sell museum collections unethically.

We would be happy to expand on this, or any other points.

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