

DCResearch
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wavehill
Social and economic research

Research to understand the levels of public investment in museums

Final Report

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DC Research

4 Finch Close

Carlisle

CA1 2WB

t: 01228 402 320

m: 07501 725 114

e: stephen@dcresearch.co.uk

<https://dcresearch.co.uk/>

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EXECUTIVE SUMMARY

Introduction and Aims (Section 1)

- Arts Council England (ACE) commissioned DC Research Ltd and Wavehill to carry out 'Research to understand the levels of public investment in museums since 2015 and its impact.' The focus was on accredited museums owned and directly maintained, or dependent on local authority funding, as well as museums who have previously been owned or dependent on local authority funding.
- Whilst the research considered a range of public investments in museums, it concentrated on local authority investment in museums. With this focus, the data analysis timescale for this part of the study was expanded (looking at 2009-10 onwards rather than 2015).

Public Investment in Museums – Context and Overview (Section 2)

- One of the findings of the 2017 Mendoza Review, undertaken in response to the Culture White Paper in 2016 which set out the government's ambition and strategy for the cultural sectors, was that many museums are reliant on public funding. In 2018 the Museums Taskforce issued a statement on funding in England, which raised concerns that less prosperous areas were feeling the brunt of the pressure on public finances with a suggestion that further reductions would leave local authorities in less wealthy areas unable to fund non-statutory services such as museums.
- The Institute for Government calculated that local authority 'spending power' in 2021/22 is 10.2% below 2009/10 levels, largely because of reductions in central government grants. Cuts have also fallen more heavily on more disadvantaged local authorities. These financial strains have been compounded more recently by considerable increases in the cost of providing services, including due to inflationary pressures. The use of section 114 notices has become more prevalent in recent years and more local authorities may issue section 114 notices as the squeeze on local government finances continues.

Key Examples of Public Investment in Museums (Section 2)

- There are a wide range of public sources that support, and invest in, museums. Whilst the focus of this research was on local authority investment in museums, key examples of other public investment in museums are considered.
- Some public investment in museums is not clearly or easily identifiable, especially investment from non-museum or non-cultural public sources. Additional work would be required to assess some of the non-cultural public sources of investment in museums.
- Analysis of data from The National Lottery Heritage Fund shows that £407.2 million was awarded to museums by the Heritage Fund between 2015-16 and 2022-23 – an average of almost £51 million per year over this eight-year period.
- Arts Council England has provided multiple strands of investments¹ to museums from 2015-16 to date. Overall, ACE invested more than £521.1 million across these strands/programmes between 2015-16 and 2022-23, an average of £65.1 million per year.
- DCMS support for museums over recent years was considered through information provided in the DCMS Annual Report and Accounts. Looking at grant-in-aid funding from DCMS to DCMS-sponsored museums and galleries, shows grant-in-aid funding increased from £300.3 million in 2015-16 to £489.6 million in 2022-23.

¹ The analysis captured the following programmes of investment relevant to museums: ACE National Lottery Project Grants; ACE investment via NPO; ACE Museum Development investment; the V&A Purchase Grant Fund; Acceptance in Lieu and Cultural Gifts Scheme.

- Other examples of public investment in museums include: Levelling Up Fund; UK Shared Prosperity Fund; Museums and Galleries Tax Relief; Energy Bill Relief Scheme; and various other DLUHC and HMG programmes and initiatives, as well as ad hoc ring-fenced grants. However, precise data about the scale of investment was not made available.

Local Authority-Reliant Museums (Section 3)

- Given there is no agreed definition as to what an 'LA-reliant' museum is, a process was developed through which LA-reliant museums could be identified. This used both publicly available data about accredited museums in England and data from ACE about the governing bodies of accredited museums to identify LA-reliant museums.
- 413 LA-reliant accredited museums were identified in England through the above process, and 226 related governing bodies for these museums. These 413 LA-reliant museums account for 31% of all accredited museums in England.
- In terms of ACE Area, 34% of LA-reliant museums are in the North; 22% are in the Midlands; 20% are in the South East, 18% are in the South West and 6% are in London.
- The North has the greatest proportion of LA-reliant museums as a percentage of all accredited museums with 42%. This is followed by the Midlands with 37% of all accredited museums identified as LA-reliant museums. The South West shows 26% of its museums as being LA-reliant and the South East shows 25%. London is the lowest with 18%.

Local Authority Spending on Museums since 2009-10 (Section 3)

The analysis captured data on local authority revenue expenditure on museums since 2009-10 (covering financial years 2009-10 to 2022-23) using the RO5 and RSX DLUHC returns as the key sources. The assessment focuses on revenue (and not capital) expenditure. In summary, these results show that between 2009-10 and 2022-23:

- Total Expenditure on Museums and Galleries decreased by 16% in cash terms and 36.7% in real terms, from £286.45 million (2009-10) to £241.01 million (2022-23).
- In comparison, Total Expenditure on Cultural and Related Services decreased by 19% in cash terms and 38.8% in real terms, whilst Total Service Expenditure increased by 12% in cash terms and decreased by 15.4% in real terms.
- Net Current Expenditure on Museums and Galleries (i.e., once Total Income from 'Sales, Fees and Charges' and 'Other Income' have been taken into account), decreased by 17% in cash terms and 37.4% in real terms, from £219.91 million (2009-10) to £183.05 million (2022-23).
- In comparison, Cultural and Related Services Net Current Expenditure decreased by 24% in cash terms and 42.6% in real terms, whilst Total Service Net Current Expenditure increased by 9.57% in cash terms and decreased by 17.6% in real terms.
- Museums and Galleries Total Expenditure as a percentage of Total Service Expenditure decreased from 0.21% in 2009-10 to 0.16% in 2022-23.

The levels of local authority investment outlined above were also considered on a per capita basis – i.e. relative to the population size. The key results are:

- Museums and Galleries Total Expenditure Per Capita decreased from £5.49 (2009-10) to £4.22 (2022-23). This equates to a 23% decrease in cash terms, and a 42.1% decrease in real terms.
- In comparison, Cultural and Related Services Total Expenditure Per Capita decreased by 26% in cash terms and 44.1% in real terms, whilst Total Service Expenditure Per Capita increased by 3% in cash terms, and decreased by 22.7% in real terms.

- Museums and Galleries Net Current Expenditure Per Capita decreased from £4.21 (2009-10) to £3.21 (2022-23). This equates to a 24% decrease in cash terms, and a 42.8% decrease in real terms.
- In comparison, Cultural and Related Services Net Current Expenditure Per Capita decreased by 30% in cash terms and 47.5% in real terms, whilst Total Service Net Current Expenditure Per Capita increased by 0.15% in cash terms and decreased by 24.7% in real terms.

Sub-National Analysis of Local Authority Expenditure on Museums (Section 3.3)

- Sub-national analysis of expenditure on museums was considered using the most recent (2022-23) DLUHC data, focusing on Net Current Expenditure for Museums and Galleries.
- At the local authority level, the wide range of spend per capita on Museums and Galleries by local authorities in 2022-23 is evident. These results show that the level of public investment in museums by local authorities is very different from place to place.
- For a notable proportion of local authorities (31%), the data shows Net Current Expenditure per capita on Museums and Galleries of 0 (zero). 13% of local authorities spend less than £1 per capita on museums, and almost one-third (31%) have spend per capita values of between £1 and £5. 12% of local authorities show spend per capita of between £5 and £10, whilst 3.8% show spend per capita values greater than £10.
- Regionally, Yorkshire and the Humber has the highest spend per capita on museums and galleries at £5.46, followed by the South West (£3.81), the North East (£3.47) and the North West (£3.43). The East also reports above average spend per capita at £3.34, whilst all other regions report below average spend per capita (the average in this case is £3.11), with the West Midlands reporting the lowest at £1.68.

Challenges and Risks facing Local Authority-Reliant Museums (Section 4)

Interviews undertaken with 35 stakeholders covering 30 museum services highlighted a range of themes relating to the opportunities and challenges facing local authority-reliant museums. Key themes included:

Financial position and outlook

- The position of museums in terms of local government funding is very different from place to place. Although some have held up (in cash terms) in recent years, others have been facing declining core grants or budgets in recent times.
- The uncertainty around the local authority funding position, especially beyond 2024-25, is for some creating a degree of paralysis, affecting the ability to plan or action changes to their delivery and operating models to achieve a more sustainable position.

Workforce issues

- Recent and current financial pressures are taking a physical and mental toll on service heads, impacting on their ability to implement any recovery or reorganisation plans to secure the future of their respective services.
- Given the real-terms cuts affecting many services, much of the workforce has not had a real-terms pay rise for many years. This is directly affecting morale and creating challenges in both recruitment and retention.

Skills and capacity

- Many services have experienced substantial reductions in the number of FTE roles due to successive restructures and reorganization. There is particular concern regarding the loss

of specialist skills. This means that many services have less skills and capacity to address the multiple challenges they face.

- A lack of commercial experience in relation to managing museums has resulted in some local authorities being tied into contractual arrangements that are expensive and inefficient.

Making the case

- One of the most important aspects of helping to protect public investment in museums is the ability of service heads to build and manage relationships with Service Directors and Portfolio Holders within their local authority. However, restructuring within local authorities and museum services has resulted in high levels of staff turnover, which has created challenges in terms of maintaining the visibility and profile of museum services.
- The acute pressures facing local authority budgets and the absence of effective advocacy may lead to elected members and officers making blinkered and short-term financial decisions that will have negative longer-term (and possibly irreversible) consequences for museum services and the communities they support and engage.

Levers for change

- A recurrent theme in consultations was the frustration that services generally had limited room for manoeuvre within their operating model and financial positions, with fixed costs being 'baked in' to budgets because of previous financial, legal, and contractual decisions.
- To varying degrees, services have to date been able to protect their budgets from even more severe cuts modelled by local authorities by articulating the ongoing commitments associated with previous or current investments from other sources.
- Whilst there are many positive examples of progress made within the sector towards embracing a more commercial and entrepreneurial approach, including generating income from traded services, there are limits on the extent to which can offset reductions in public sector investment.
- One of the most pressing concerns relates to the significant and growing risks facing key heritage assets within the museums sector. With some museum venues and buildings already on the Heritage at Risk register, declining investment, potential closure of sites and underinvestment in maintenance regimes raise a real prospect that many more important cultural and heritage assets could be in danger of suffering irreversible damage.

Issues to Consider and Potential Actions (Section 5)

The research concludes with issues to consider/potential actions to support the sector and help improve resilience for local authority-reliant museums. These include:

- Consider 'growth funding' for local authority-reliant museums.
- Review approaches to attract investment from private sources.
- Explore options for services to merge functions or merge completely.
- Develop a new museum workforce action plan focusing on attracting and retaining talent.
- Support the wellbeing of museum service heads and the wider workforce.
- Increase the use of joint appointments or shared regional resources.
- Review local authority management and maintenance arrangements.
- Consider bespoke training for local authority-reliant museums around carbon literacy.
- A cross-government committee to consider the issues facing LA-reliant museums.
- Communicate clearly to local authorities that are funding LA-reliant museums their obligations and liabilities.

1. INTRODUCTION

Introduction and Aims

- 1.1 Arts Council England (ACE) commissioned DC Research Ltd working in partnership with Wavehill to carry out **'Research to understand the levels of public investment in museums since 2015 and its impact.'**
- 1.2 The initial overarching aim was to analyse the levels of public investment in museums since 2015, and the associated impact of this. The focus of the research was on accredited museums owned and directly maintained, or dependent on local authority funding as a significant part of their business model, as well as museums who have previously been owned or dependent on local authority funding (within the last 10 years). These 'local authority-reliant' museums have therefore been the primary focus of the research.
- 1.3 As the study progressed, it was agreed that whilst the research would consider the range of public investment in museums, it would concentrate on local authority investment in museums. With this focus, it was agreed that the timescale for the data analysis elements of the study would be expanded to reflect local authority investment in museums over a longer period (looking at 2009-10 onwards rather than 2015).

Approach and Key Tasks/Method

- 1.4 The research study involved the following key stages:
 - **Inception, Scoping and Progress Meetings.** An inception meeting, data scoping discussions, and ongoing progress meetings throughout the research study were held between the study team and representatives from ACE. In addition, data scoping discussions were held with relevant stakeholders at an early stage of the research.
 - **Desk Research.** This stage involved three strands of desk-based research and analysis: a literature and evidence review, core data collation and analysis (looking at the range of public investment in museums over recent years), and additional data collation and analysis (looking in more depth at local authority investment in museums since 2009-10). Various data limitations, and the availability (or lack of availability) of various data sources specific to museums, have underpinned and influenced the data collation and analysis presented in Sections 2 and 3 of this report and it is important to consider these results in the context of this. The various issues are outlined at appropriate points in the relevant sections.
 - **Primary Research.** A key strand of the research was the primary research that took place. There were two aspects to this. First, between October and December 2023 a range of consultations with a cross-section of local authority-reliant museums and museum organisations took place. A total of 35 interviews were completed covering 30 organisations – a full list of consultees is included in Annex 1 to this report. The local authority-reliant museum consultees included in this phase were a cross-section of the membership of the English Civic Museum Network (ECMN). Second, four focus/discussion groups took place towards the end of the research (December 2023), and these involved presentations and discussions of the emerging findings from the research. This included meetings with representatives from the cross-sectoral museum organisations group, the ACE

Museums and Cultural Property Team, DCMS, and the English Civic Museums Network. More details about the four groups are also included in Annex 1.

Report Structure

- 1.5 This document is the Final Report, produced in January 2024, and is structured as follows:
- **Section 2** provides an overview of public investment in museums in recent years, looking at recent trends and capturing the wider context about public investment in museums.
 - **Section 3** focuses on local authority investment in museums since 2009-10, and assesses the changes that have taken place over this period. It also outlines the process through which the 'local authority-reliant' museums were identified in this study, and considers some of the implications of the findings around this.
 - **Section 4** gives consideration to the issues and challenges faced by 'local authority-reliant' museums, drawing primarily on the findings from the primary research and dealing with the following themes: Financial position and outlook; Workforce issues; Skills and capacity; Making the case; Levers for change.
 - **Section 5** outlines issues to consider and potential actions based on the findings from the research.
 - **Annex 1** provides a list of the consultees as well as additional information about the group discussions that took place as part of the primary research phase.
 - **Annex 2** presents some of the more detailed data analysis results from the research, as well as providing additional information about the data sources used.

2. PUBLIC INVESTMENT IN MUSEUMS – OVERVIEW / CONTEXT

Introduction to Section 2

- 2.1 The background context for this research into understanding the levels of public investment in museums since 2015, and the associated impact, is the unprecedented level of cuts in public funding which has particularly affected local authority museums. Concerns have been raised that accredited museums that are owned and directly maintained or dependent on local authority funding are at a tipping point in their ability to provide a satisfactory service.

Public Investment in Museums – Context and Overview

Mendoza Review

- 2.2 One of the findings of the 2017 Mendoza Review,² undertaken in response to the Culture White Paper in 2016 which set out the government's ambition and strategy for the cultural sectors, was that many museums are reliant on public funding. The review acknowledged that many museums have adapted to the changing and challenging financial environment by altering their business models, including securing capital investment to transform their ability to use collections and attract audiences to generate income and by creating new partnerships that help money go further. However, the report also recognises that a small number have been unsuited to such change or unable to adapt in time.
- 2.3 Of relevance to the current objectives on Levelling Up the United Kingdom, in 2018 the Museums Taskforce issued a statement on funding in England³ which raised concerns that less prosperous areas were feeling the brunt of the pressure on public finances with a suggestion that further reductions will leave local authorities in less wealthy areas unable to fund non-statutory services such as museums. One of the recommendations from the Taskforce is for local authorities to allow museums that they fund to operate freely in order that they can innovate and secure new sources of income.
- 2.4 The focus on securing new sources of income is a relevant context for this research as exploring and understanding levels of public investment in museums presents only part of the picture. A greater understanding of the progress that local authority-reliant museums have made in growing income streams from other sources is important in assessing the extent to which any cuts in public investment have been offset or may be offset over the next 3 to 5 years.
- 2.5 Furthermore, it is important to understand the profile of accredited museums that are owned and directly maintained or are independent organisations which receive a proportion of their income from a local authority (and which in some instances are dependent - to a greater or lesser extent - on that subsidy). A number of museums have moved to independent trust status since 2015 and it can be assumed that this transfer was possible because these museums were regarded as financially viable and/or the potential opportunities provided by moving to an independent trust made this transition worthwhile. This may suggest that some of the remaining museums have not moved into a trust because their financial viability or potential opportunities are less clear or that the level of investment required is considered too great or not an

² Mendoza, N. (2017)- 'The Mendoza Review: an independent review of museums in England'.

³ Museums Taskforce (2018)- 'Statement on Funding, England'.

effective use of public money. These are sensitive themes that merit further exploration within the sector.

Financial pressures facing museums

- 2.6 The Museum Association's recent report on local authority investment in museums after a decade of austerity⁴ sets out data showing a real-terms decrease of 34% in England since 2009/10 in the total amount of local authority funding going to museums. This has led to impacts including reductions in opening hours, reductions in learning and outreach programmes, substantial staff cuts, loss of expertise and in a small number of cases closure of entire museum sites. The report highlighted that since 2021 the situation has become worse due to the impact of the Covid-19 pandemic and the cost-of-living pressure.
- 2.7 The authors highlight particular challenges with local authorities becoming increasingly reliant on local taxes and revenues and new grants made available for the delivery of specific priorities. They cite issues with funds such as the UK-wide Levelling Up Fund focusing on capital investment only, which does not address the challenges of securing core funding for running costs.
- 2.8 The Museums Association's report⁵ highlights considerable variation in levels of spending cuts by English region between 2009/10 and 2019/20. It also sets out a decline in income per person on museums and galleries over the same period, falling from £1.53 per person in real terms in 2009/10 to £1.12 per person in 2019/20.
- 2.9 The report also emphasises that although many local authority museums have increased their earned income from retail, catering and events and moved towards more commercial operating models, there is a finite amount that can be raised from these activities, which has placed museums in a vulnerable position. The authors call for a change to how culture is funded at a local level.
- 2.10 Whilst the analysis represented in the Museums Association report also covers expenditure on museums and galleries, it had a slightly different remit, different geography, and different timescale to this research and, as such, cannot be directly compared with the analysis presented in this report, it does point to slower progress than required in growing earned income to support museums to become less reliant on public funding.
- 2.11 The challenges outlined above chime with the think piece on the future of civic museums published by the English Civic Museums Network in 2018⁶ which identified that the typical civic museum was held back from achieving its local potential due to the financial models that characterise them, by a defensiveness around their collections, and by governance inflexibility. The authors also suggest that, as a group, civic museums are held back due to the absence of a shared vision, by failing to agree on simple metrics or measures by which their impact can be measured.

⁴ Rex, B. & R. Campbell (2021)- 'Local Authority Investment in Museums after a Decade of Austerity'.

⁵ Ibid

⁶ Black Radley (2018)- 'The Future of Civic Museums: A Think Piece'. English Civic Museums Network

Local Government finances

- 2.12 The Institute for Government⁷ has calculated that local authority 'spending power' in 2021/22 is 10.2% below 2009/10 levels, largely because of reductions in central government grants. All local authorities have had to find ways to do more with less as a result of the reduction in their spending power. However, the size of the cuts since 2010 have varied across different types of local authorities, with the deepest cuts felt by shire districts. Upper and single-tier authorities have faced particular difficulties because of the rising demand for social care, which as a statutory responsibility has resulted in downward pressures on non-statutory services including museums and cultural services more broadly.
- 2.13 Cuts have also fallen more heavily on more local authorities serving more disadvantaged communities. Local authorities serving the most disadvantaged communities have experienced the largest falls in spending power between 2010/11 and 2019/20.⁸ This presents a further lens through which to interpret and understand the spatial impact of changing levels of public investment in museums.
- 2.14 The Institute for Government's recent overview of the use of section 114 notices provides relevant context for understanding the current headwinds facing local authority-reliant museums.⁹ Fourteen councils have issued section 114 notices since the Local Government Finance Act 1988 became law with Hillingdon and Hackney councils the first and second to do so in 2000. The use of section 114 notices has become more prevalent in recent years.
- 2.15 The context behind each local authority that has issued section 114 notices, the authors suggest, can be traced back to the sharp cuts imposed on local authorities in the first half of the 2010s. Over this same period the demand for services, in particular children's services and adult social care, has increased substantially. These financial strains have been compounded more recently by considerable increases in the cost of providing services, including due to inflationary pressures.
- 2.16 As a result, a large proportion of local authority budgets have been directed toward the delivery of core statutory services, with less financial resource available for discretionary services including museums and galleries.¹⁰
- 2.17 In response to these financial pressures, local authorities have looked to other sources of income, with some opting to borrow funds to invest in assets that generate income, such as commercial property. Rising interest rates have made it more difficult for local authorities to service their debt, contributing to lower financial resilience.
- 2.18 The Institute for Government highlights that more local authorities may issue section 114 notices as the squeeze on local government finances continues. In 2022 both Kent and Hampshire county councils warned that they may issue section 114 notices due to rising demand and cost pressures and insufficient funding. In 2023 both Birmingham City Council and Nottingham City Council have issued section 114 notices.

⁷ Institute for Government (2023)- 'Local government funding in England: How local government is funded in England and how it has changed since 2010'.

⁸ Ibid

⁹ [Institute for Government: Local Government Section 114 notices. 9th October 2023.](#)

¹⁰ [See also The Future of Civic Museums: A Think Piece. March 2018](#)

- 2.19 SIGOMA, a representative body for 47 municipal authorities, recently published a survey¹¹ which showed that five of their members were at risk this year (2023/24), with a further nine likely to join them in 2024/25. The Institute for Government report highlights that Coventry, Somerset, Guildford, Kirklees, and Southampton have, among others, warned that they may have to issue a section 114.
- 2.20 A similar statement has been issued by the County Councils Network which has stated that one in 10 county councils in England is facing effective bankruptcy.¹² The survey of its 41 members found one in 10 were not sure they could balance the books this financial year (2023/24), with that number rising to six in 10 in two years' time. The District Councils Network has also highlighted a growing financial crisis in hundreds of smaller authorities. As well as increased funding, councils are calling for longer-term budget settlements to allow them to plan their finances.
- 2.21 Both the Institute for Government and the IFS¹³ highlight some positive signs that the pressure on local government spending power may be at an end. The 2021 comprehensive spending review set out a 3% per year real-terms increase in local authority spending power over the period 2022/23 to 2024/25. The 2022 autumn statement further increased local authorities' core spending power, via a mixture of additional grant funding and an increased ability to raise council tax. In total, this means that local authority spending power is now due to rise by 3.4% in real terms per year in 2023/24 and 2024/25.¹⁴ However, the implications for local authority funding for discretionary museums are not clear given ongoing pressures on statutory services. This is emphasised further in Chapter 4 in the analysis of interviews with a cross-section of civic museums.

Private Investment in Culture Survey

- 2.22 One of the recurring themes from previous research has been the need for museums and galleries to diversify their income/funder mix to help mitigate the risk of over-reliance on a single source (e.g. public investment) and transition to more resilient and sustainable funding models.
- 2.23 The Private Investment in Culture Survey (PICS) commissioned by Arts Council England investigates the role individual giving, corporate giving, and trusts and foundations play in funding not-for-profit arts and culture sector organisations in England. Over a series of iterations, the survey has provided a picture of change over time, supporting organisations to develop fundraising strategies as well as benchmarking performance against the sector overall.¹⁵
- 2.24 The most recent iteration of the report looks back at the financial year 2020/2021 where the total private investment in the not-for-profit cultural sector in England was estimated at £799.8 million. This comprises £327.8 million (or 44%) in private income received from individuals (including individual memberships), £309.3 million (41%) in grants from trusts and foundations, and £116 million (15%) in corporate giving (donations from corporations, businesses, and corporate memberships).

¹¹ <https://www.sigoma.gov.uk/news/2023/sigoma-calls-for-urgent-action-in-the-provisional-local-government-finance-settlement>

¹² [BBC News: Warning one in 10 county councils face effective bankruptcy. 1st November 2023.](#)

¹³ <https://ifs.org.uk/articles/english-councils-core-spending-power-set-grow-11-real-terms-over-next-two-years>

¹⁴ [Institute for Government: Local Government Section 114 notices. 9th October 2023.](#)

¹⁵ [Arts Council England \(2022\)- 'Private Investment in Culture Survey 2022'.](#)

- 2.25 Continuing the trend identified in prior PICS analyses, individual giving remained the largest category of private investment income by total volume of donations, while corporate memberships and donations have been declining. Giving from trusts and foundations has been relatively stable as many foundations made a pivot to support cultural organisations through the periods of closure and operating disruptions due to the pandemic.
- 2.26 In a three-year period from financial years 2018/2019 to 2020/2021, the most recent PICS analysis shows that income from individual giving and memberships increased by 6%, corporate giving and memberships saw a 7% decline, and grants and donations from trusts and foundations saw a decrease of 5%.
- 2.27 Arts and cultural organisations responding to the most recent survey noted increasing competition and changing priorities among private sector funders, particularly affecting trusts and foundations’ giving where grant programmes more often now require measurable social impact outcomes. Similarly, individual and corporate funders are increasingly interested in supporting specific programmes and initiatives and seek to be actively involved in defining the goals and outcome for those.
- 2.28 The PICS analysis presents an overview across different artforms. Music (32% of total private investment) and theatre (25%) organisations received the largest volumes of private investment, followed by organisations whose primary field is visual arts (17%), those working across multiple artforms (combined arts) at 10%, with museums and heritage organisations accounting for 8% of total private giving.

Figure 2.1: PICS Private Investment distribution by artform 2020-21



Source: Reproduced from ACE (2022)

- 2.29 What the above finding suggests is that relative to other artforms, museums and heritage organisations secure less investment from private sources. As a result, there

- is scope for museums to explore opportunities to develop this income stream along with non-public income sources to support efforts to become more financially resilient.
- 2.30 In the financial year 2020/21 Arts Council England's National Portfolio Organisations (NPOs) had a higher proportion of public funding in their overall funding mix compared to organisations that are not NPOs and a lower proportion of private investment.
- 2.31 One of the observations from the PICS report is that location continues to play an important role in an arts and cultural organisation's capacity to fundraise, with place-based approaches and networks proven beneficial to their ability to attract private investment. Funders' affinity with place and sense of belonging has been successfully leveraged in fundraising together with place-based networks, partnerships, and local events. This may provide a cause for cautious optimism for civic museums given that they have a particular emphasis on the relationship between a place and its people.¹⁶
- 2.32 The three main barriers faced by arts and cultural organisations in accessing private investment are the lack of in-house staff capacity and time, shifting priorities in philanthropy, and increasing competition for private investment. These barriers are explored further in Chapter 4 of this report.

Key Examples of Public Investment in Museums

- 2.33 There are a wide range of public sources that support, and invest in, museums. Whilst, as noted in Section 1, the focus of this research as the work progressed moved towards local authority investment in museums, some of the key examples of other public investment in museums are outlined below. This primarily focuses on public investment from museums, cultural, and heritage-specific sources although some other sources are considered.
- 2.34 It should be noted that, as further reflected in Section 5, some public investment in museums is not clearly or easily identifiable, especially investment that comes from non-museum or non-cultural public sources. As such, additional work would be required to map out and identify some of the non-cultural sources of public investment in museums.
- 2.35 As outlined above, the focus of this research as the work progressed moved towards local authority investment in museums, and as such this is considered in detail in Section 3 of this report. The examples presented below provide a wider context for the changes that have occurred in other public investments in museums in recent years, and these changes can be considered alongside the changes to local authority investment in museums that are outlined in Section 3.
- 2.36 The data collation and analysis presented here sought to capture information on public investment in museums since 2015 (focusing on the financial years 2015-16 to 2022-23) from the following sources:
- National Lottery Heritage Fund awards – the awards made by the National Lottery Heritage Fund (the Heritage Fund) to museums between April 2015 and March 2023¹⁷.

¹⁶ [Black Radley & Latchford, P. \(2018\)- 'The Future of Civic Museums: A Think Piece. March 2018'](#).

¹⁷ This includes awards under the following Heritage Areas: 'Collections'; 'Museums, Archives, Libraries and Collections'; and 'Museums libraries archives and collections'. In addition, any awards where the applicant name included the word 'museum' have been included.

- ACE National Lottery Project Grants and Grants for the Arts¹⁸.
- ACE investment via National Portfolio Organisations (and, for relevant years, Major Partner Museums)¹⁹.
- ACE investment via Museum Development (all Museum Development funding for relevant years has been included).
- V&A Purchase Grant Fund (all awards to 'Museums and Galleries' have been included – awards to Record Offices have been excluded).
- Acceptance in Lieu and Cultural Gifts Scheme²⁰.
- DCMS investment in the museums and galleries sector and DCMS support for Museums and Galleries sponsored ALB's²¹.
- Investment in museums from other government departments.

National Lottery Heritage Fund Awards to Museums

- 2.37 Data on National Lottery Heritage Fund awards has been sourced from the Open Data that the Heritage Fund provides publicly²². Following discussion with the Heritage Fund, it was agreed that, to identify awards to museums, three specific heritage areas should be included – namely, 'Collections'; 'Museums, Archives, Libraries and Collections'; and 'Museums libraries archives and collections'. It should be noted that the value of awards from the Heritage Fund outlined below includes both capital and revenue investment in museums.
- 2.38 Based on the three heritage areas specified above, the Heritage Fund invested a total of £345.8 million in museums between 2015-16 and 2022-23, ranging from more than £133 million in 2015-16, down to £6.7 million in 2020-21 (see Figure 2.2). This range exemplifies the issue with the reporting of Heritage Fund data in that the total value of the award is allocated to the year in which the original decision to award the grant was made (rather than when the award was actually paid out or spent).
- 2.39 In addition, further context around the Heritage Fund awards includes the fact that total investment changes significantly from year to year depending on lottery receipts and levels of reserves. Furthermore, the tail end of 2019-20 and much of 2020-21 saw the Heritage Fund's open programmes closed to new applicants due to the Covid-19 pandemic and The National Lottery Heritage Fund moving to distributing emergency and government recovery funding. Subsequently, 2021-22 and 2022-23 has seen the development of a new project pipeline following this period. As a result, caution is advised regarding any trend analysis of this data, for both Figures 2.2 and 2.3 overleaf.

¹⁸ For Grants for the Arts this includes all awards under project discipline 'museums' as well as any awards where the recipient name included the word 'museum'. For National Lottery Project Grants this includes all awards where the main discipline was 'museums' as well as any awards where the recipient name included the word 'museum'.

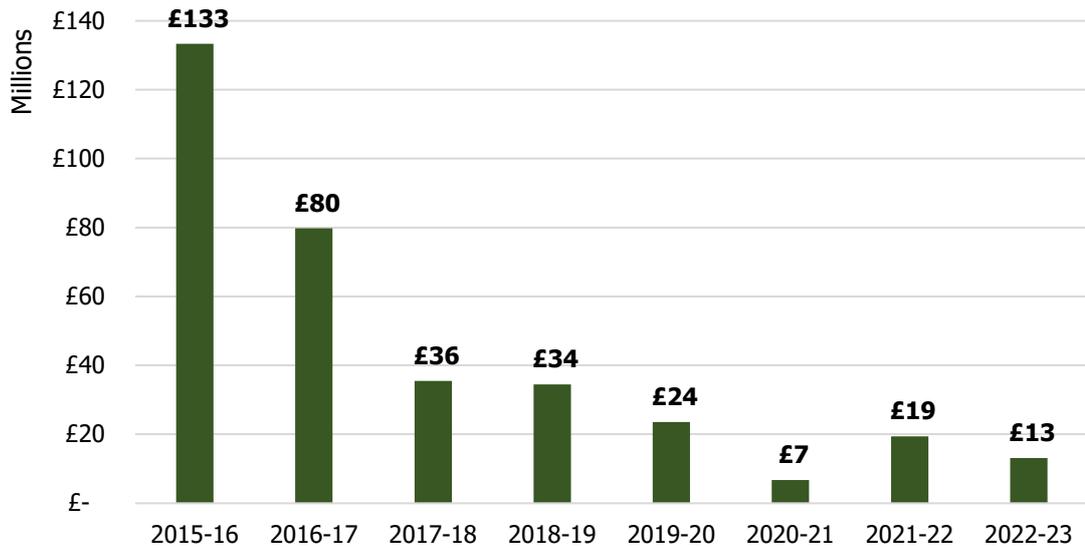
¹⁹ For NPO and MPM, this includes all awards under the discipline 'museums' (or 'MPM') as well as any awards where the recipient name included the word 'museum'.

²⁰ All tax values for Acceptance in Lieu and Cultural Gifts Scheme cases completed in the specified year have been included – data is taken from the relevant annual reports.

²¹ Data on DCMS investment in museums is taken from DCMS annual report and accounts for the relevant years – e.g., [DCMS annual report and accounts 2022 to 2023 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/108422/dcms-annual-report-and-accounts-2022-to-2023.pdf).

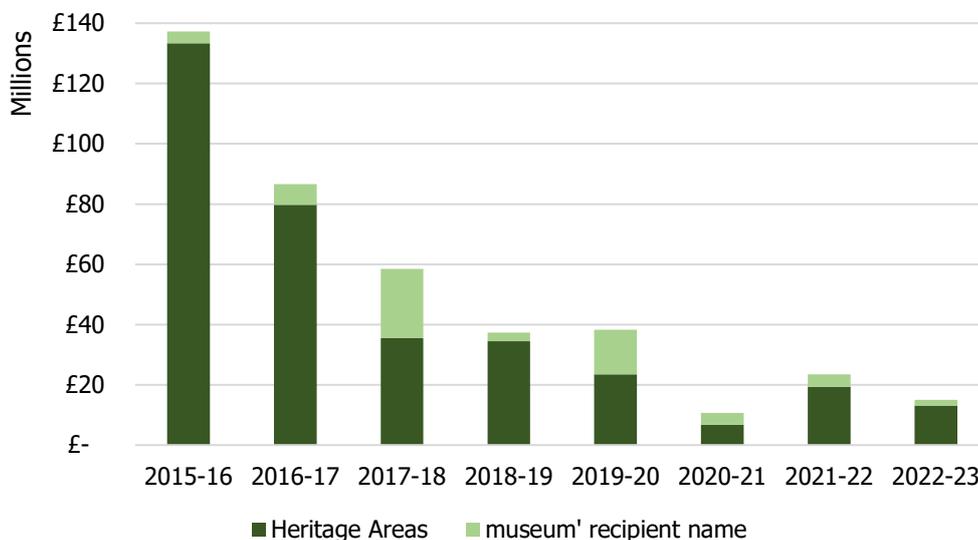
²² <https://www.heritagefund.org.uk/about/insight/open-data>

Figure 2.2: National Lottery Heritage Fund Awards 2015-16 to 2022-23 (for relevant Heritage Areas) (£millions)



- 2.40 In addition, the Heritage Fund also suggested that awards where the recipient organisation name included the word 'museum' could be included. Taking this approach, the analysis reveals an additional tranche of investment in museums.
- 2.41 This approach identified an additional total of £61.3 million of awards from the Heritage Fund to museums between 2015-16 and 2022-23.
- 2.42 When both strands of investment in museums are combined, the analysis shows that a total of £407.2 million was awarded to museums by the Heritage Fund between 2015-16 and 2022-23 (see Figure 2.3 and Table A2.20 in Annex 2), which translates to an average of almost £51 million per year over this eight-year period. Additional information provided by the Heritage Fund shows a total of £530 million was awarded to museums over this period – if the soft spend commitments as well as the confirmed spend commitments are included (i.e., if delivery phase funding is included for those projects that only have development phase funding confirmed).

Figure 2.3: National Lottery Heritage Fund Awards 2015-16 to 2022-23 (for relevant Heritage Areas & where recipient organisation includes 'museum') (£millions)



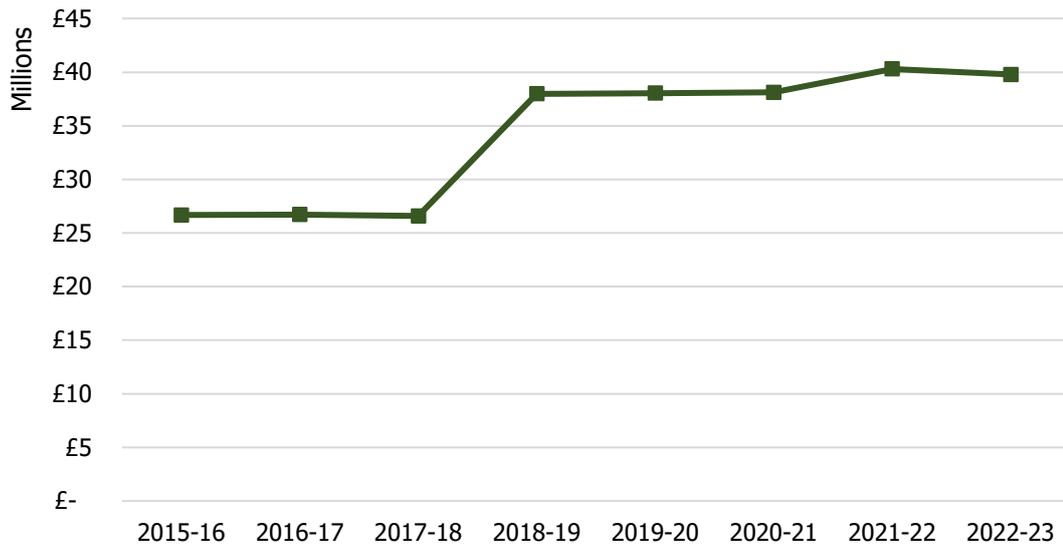
Arts Council England Investment in Museums

- 2.43 Arts Council England has provided multiple strands of investments to museums in the period from 2015-16 to date. The analysis presented below captures the following specific programmes of investment relevant to museums:
- ACE National Lottery Project Grants (and, for relevant years, Grants for the Arts²³).
 - ACE investment via National Portfolio Organisations (and, for relevant years, Major Partner Museums²⁴).
 - ACE Museum Development investment.
 - Investment in museums via the V&A Purchase Grant Fund.
 - Acceptance in Lieu and Cultural Gifts Scheme.
- 2.44 Whilst in some instances – e.g., Museum Development, Acceptance in Lieu, and the Cultural Gifts Scheme – all the investment is included in the results below, for other programmes which made investment available to a wider range of artforms, only the funding related to museums is included (i.e., for National Lottery Project Grants, Grants for the Arts, and NPO investments).
- 2.45 As with the awards from the National Lottery Heritage Fund outlined above, two aspects are carried out. First, the identification and inclusion of awards where ‘museums’ is specified as the project discipline or artform. Second, the identification and inclusion of awards where the recipient’s name includes the word ‘museum’.
- 2.46 Taking the first aspect (museums as discipline/artform) for National Lottery Project Grants/Grants for the Arts, NPO/MPM, along with all of Museum Development and all of the V&A Purchase Grant Fund allocated to museums and galleries, the analysis shows that investment from these various programmes/strands of investment was £26.7 million in 2015-16, increasing to £39.8 million by 2022-23 (see Figure 2.4 overleaf).

²³ Arts Council England’s Grants for the Arts programme was Arts Council’s open access funding programme that was a precursor to the current Arts Council National Lottery Project Grants.

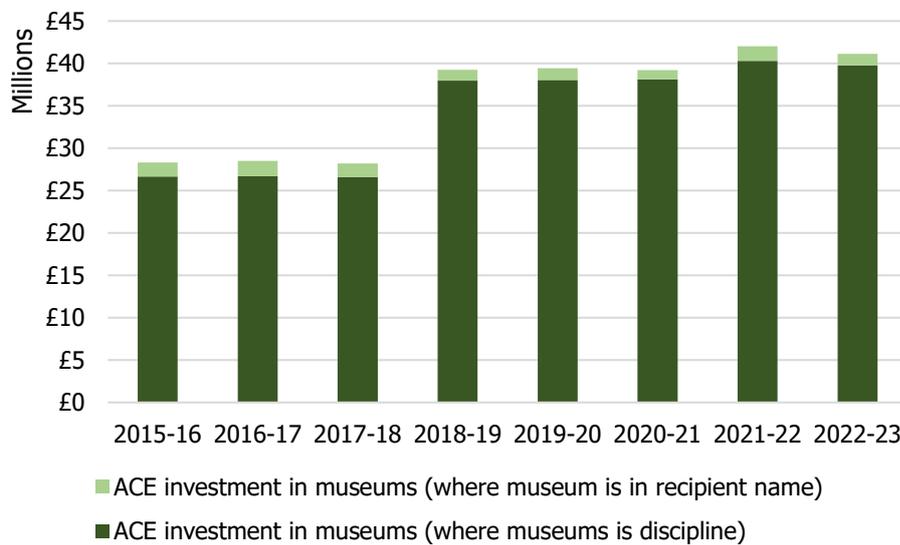
²⁴ Major Partner Museums was an Arts Council England museum-specific funding programme that was integrated into the National Portfolio Organisations during this time.

Figure 2.4: Arts Council England Investment in Museums 2015-16 to 2022-23 (using museum as the discipline for relevant sources) (£millions)



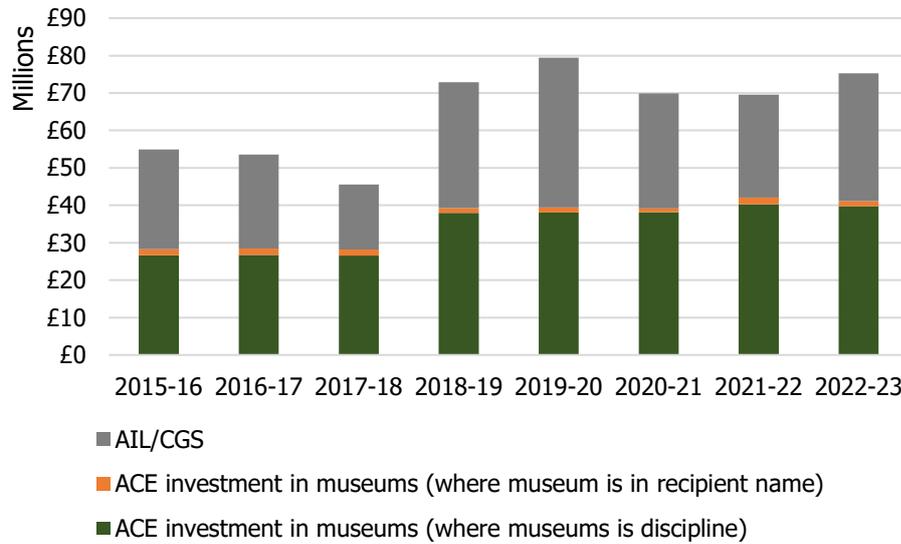
2.47 If the aspects of National Lottery Project Grants/Grants for the Arts and also NPO/MPM investments where the recipient’s name includes the word ‘museum’ are added, this identifies an additional average annual investment of just under £1.5 million (ranging annually from just over £1 million to almost £1.8 million), bringing overall ACE investment to £28.3 million in 2015-16, increasing to £41.1 million in 2022-23 (see Figure 2.5).

Figure 2.5: Arts Council England Investment in Museums 2015-16 to 2022-23 (using museum as discipline for relevant sources & including those where ‘museum’ is in the recipient name) (£millions)



2.48 Finally, if the total value for both Acceptance in Lieu and the Cultural Gifts Scheme are also included, this increases the total investment into the region of between £45.6 million (2017-18) and £79.5 million (2019-20) across the time period considered – moving from £54.9 million in 2015-16 to £75.3 million in 2022-23 (see Figure 2.6 overleaf and Table A2.21 in Annex 2).

Figure 2.6: Arts Council England Investment in Museums 2015-16 to 2022-23 (using museum as discipline for relevant sources; including those where 'museum' is in recipient name and including Acceptance in Lieu and Cultural Gifts Scheme)



2.49 Overall, these results show that ACE has invested a total of more than £521.1 million across these strands/programmes between 2015-16 and 2022-23, an average of £65.1 million per year.

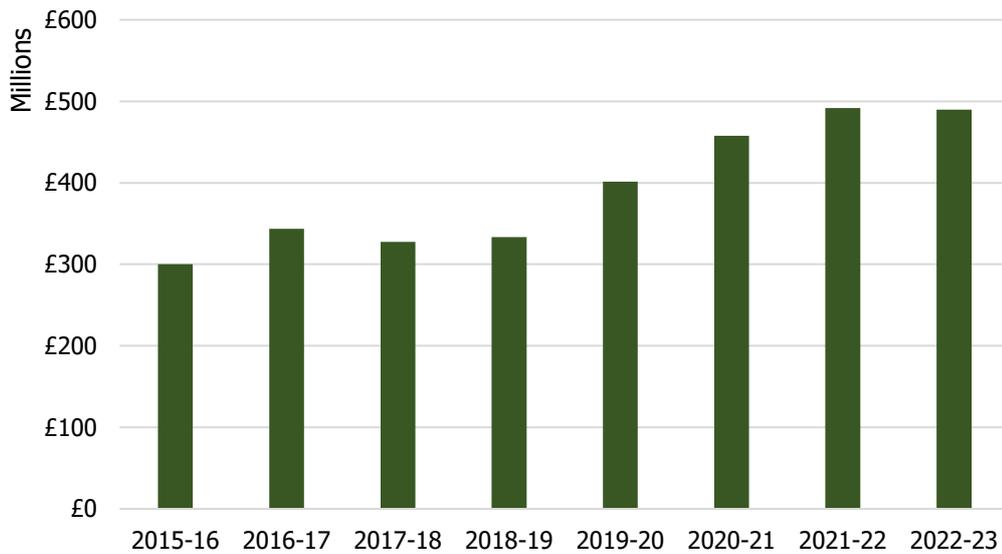
DCMS Investment in Museums

2.50 An overview of the scale of DCMS support for museums over recent years can be considered through information provided in the DCMS Annual Report and Accounts²⁵.

2.51 The data presented outlines grant-in-aid funding from DCMS to DCMS-sponsored museums and galleries. Over the period from 2015-16 to 2022-23, the analysis shows that grant-in-aid funding from DCMS to DCMS-sponsored museums and galleries increased from £300.3 million in 2015-16 to £489.6 million in 2022-23. See Figure 2.7 overleaf.

²⁵ Data has been taken from Table 4.1.1 in each of the DCMS Annual Report and Accounts from 2015-16 to 2022-23. For example, <https://www.gov.uk/government/publications/dcms-annual-report-and-accounts-2022-to-2023>. Included in the figures are the grants-in-aid to: British Museum; Geffrye Museum Trust Limited (Museum of the Home); Horniman Public Museum and Public Park Trust; Imperial War Museum; National Gallery; Royal Museums Greenwich; National Museums Liverpool; National Portrait Gallery; Natural History Museum; Royal Armouries Museum; Science Museum Group; Sir John Soane’s Museum; Tate Gallery; Victoria and Albert Museum; Wallace Collection.

Figure 2.7: DCMS Grant-in-Aid to DCMS-sponsored museums and galleries 2015-16 to 2022-23 (£millions)



- 2.52 Adjusting for inflation, in real terms²⁶, using 2022-23 prices, this equates to an increase in DCMS grant-in-aid to DCMS-sponsored museums and galleries of 35% over this time period.
- 2.53 Alongside funding for its sponsored museums, DCMS also invests in the wider museums sector, through grant schemes like the £86.6 million Museum Estate and Development Fund over 2021-25, the long-running DCMS/Wolfson Museums and Galleries Improvement Fund (worth £4 million in 2023-24), and ring-fenced grants. Several tax and Cultural Property schemes augment this support further, but are not the focus of this report. The government also extended unprecedented support to museums and the wider cultural sector over the COVID-19 pandemic, through the £1.57 billion Cultural Recovery Fund.

Investment in Museums from other government departments

- 2.54 Other examples of public investment in museums beyond those identified above include:
- Levelling Up Fund (Rounds 1 and 2). A number of successful Levelling Up Fund applications (estimated to be three Round 1 applications, and five Round 2 applications) include substantial museum redevelopment elements, but the exact level of investment in the museums aspects is not able to be identified.
 - UK Shared Prosperity Fund. It is understood that museum projects around the country are expected to benefit from the UK Shared Prosperity Fund, but no specific data is available.

²⁶ The approach taken to develop the real expenditure values followed the HM Treasury guidance: <https://www.gov.uk/government/collections/gdp-deflators-at-market-prices-and-money-gdp> and <https://www.gov.uk/government/publications/how-to-use-the-gdp-deflator-series-practical-examples>, and used the most up to date (November 2023) data <https://www.gov.uk/government/statistics/gdp-deflators-at-market-prices-and-money-gdp-november-2023-autumn-statement> and https://assets.publishing.service.gov.uk/media/655f3f8f5a2c2d0012f3f2ca/GDP_Deflators_Autumn_Statement_November_2023_update.xlsx All real values are reported using 2022-2023 prices.

- Museums and Galleries Tax Relief. The level of Museums and Galleries Tax Relief paid in recent years (between 2017-18 and 2021-22) amounted to £59 million²⁷.
- Energy Bill Relief Scheme. Museums are eligible for the Energy Bill Relief Scheme and were also included in the Energy and Trade Intensive Industries list²⁸, although data on the level of relief provided to museums so far is not available.
- Various other DLUHC and HMG programmes and initiatives (e.g., Town Deals, Rural Fund, Coastal Communities Fund, Northern Cultural Regeneration Fund, Cultural Development Fund) as well as ad hoc ring-fenced grants have provided, or are providing investment in museums, however, precise data about the scale of investment has not been made available.

2.55 As these examples show, and as revisited in Section 5, some public investments in museums are not clearly or easily identifiable, especially investments from non-museum or non-cultural public sources. As such, additional work would be required to map out and identify some of the non-cultural sources of public investment in museums.

²⁷ [Creative industries statistics: August 2023 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/statistics/creative-industries-statistics-august-2023)

²⁸

https://assets.publishing.service.gov.uk/media/63bc2f7bd3bf7f262e2183c8/230104_ETII_List_for_gov.uk.pdf

3. LOCAL GOVERNMENT INVESTMENT IN MUSEUMS

Introduction to Section 3

3.1 This section focuses on local authority investment in museums since 2009-10, and assesses the changes that have taken place over this period. It also outlines the process through which the 'local authority-reliant' museums were identified in this study, and considers some of the implications of the findings around this.

Local Authority-Reliant Museums

3.2 This sub-section outlines the approach taken to identify local authority-reliant ('LA-reliant') museums for the research. It explains the process through which the LA-reliant museums were identified, and considers some of the implications of the findings around this.

Process for Identifying LA-Reliant Museums

3.3 As set out in Section 1, the *"focus for the research is on accredited museums that are owned and directly maintained or dependent on local authority funding as a significant part of their business model, as well as museums who have previously been owned or dependent on local authority funding (within the last 10 years)."*

3.4 An important step was therefore to develop a process by which these museums could be identified as this informs both aspects of the data collation and analysis as well as the identification of consultees for the primary research phase.

3.5 At an early stage in this research, ACE acknowledged that there was no agreed definition as to what an 'LA-reliant' museum is, and it was therefore agreed that a process would be developed through which LA-reliant museums could be identified.

3.6 The process used both the publicly available list of accredited museums in England²⁹ and data from ACE about the governing bodies of accredited museums to identify both the LA-reliant museums and the governing bodies responsible for these museums.

3.7 The following steps were used to identify the LA-reliant museums:

- It was agreed that all 'local authority' museums (in terms of museum type) would be included in the LA-reliant list.
- It was agreed that all museums that are members of the English Civic Museums Network would be included in the LA-reliant list.
- ACE identified a number of museums based on various factors and characteristics – most notably museums that were local authority museums and are now operating as independent trusts - that are regarded as LA-reliant.
- Museums that have a governing body that is a local authority (but where the museum type is 'independent') are included in the LA-reliant list.
- Museums where other accreditation data highlighted that they used to be Local Authority museums (e.g., the scalability index) are included in the LA-reliant list.

²⁹ <https://www.artscouncil.org.uk/media/19539/download?attachment>

Local Authority-Reliant Museums - Results

- 3.8 **413 LA-reliant accredited museums were identified in England through the above process**, and 226 related governing bodies for these museums. These museums are therefore the cohort that are regarded as LA-reliant for the purposes of this research.
- 3.9 In summary, some of the key aspects about this list of LA-reliant museums, relative to other accredited museums in England are as follows:
- The **413 LA-reliant museums account for 31% of all accredited museums in England** (there is a total of 1,332 accredited museums in England) (Table 3.1).
 - Looking at the **geographic split of LA-reliant museums** in terms of ACE Area, 34% of LA-reliant museums are in the North; 22% are in the Midlands; 20% are in the South East, 18% are in the South West and 6% are in London. (Table 3.2)
 - Looking at the geographic split of LA-reliant museums in terms of ONS region, 16% are in the South East; 15% are in Yorkshire; 13% are in the North West; both the South West and the West Midlands have 11% of LA-reliant museums; both the East of England and the East Midlands have 10% of LA-reliant museums; and both London and the North East have 6% of LA-reliant museums. (Table 3.3)
- 3.10 The **concentration of LA-reliant museums** in each ACE area or ONS region can also be considered, by looking at the proportion of LA-reliant museums in each geographic area as a percent of all accredited museums in that area.
- In terms of ACE Area, the North has the greatest proportion of LA-reliant museums as a percent of all accredited museums in the area with 42%. This is followed by the Midlands with 37% of all accredited museums identified as LA-reliant museums. The South West shows 26% of its museums as being LA-reliant and the South East shows 25%. London is the lowest with 18%. (Table 3.4)
 - In terms of ONS regions, similar results emerge showing the greater concentration of LA-reliant museums in the northern regions, with Yorkshire at 46%, the North West at 40% and the North East at 37%. East Midlands records 38% of its museums as LA-reliant and the West Midlands 36%. The South East is at 28% and the East at 26%, whilst the South West is at 22% and London 18%. (Table 3.5)

Table 3.1: Number of LA-reliant museums in England

	Number	Percent
LA-reliant Museums	413	31%
Other Museums	919	69%
Total	1332	100%

Table 3.2: Number of LA-reliant museums by ACE Area (ranked in descending order)

	Number	Percent
North	140	34%
Midlands	89	22%
South East	83	20%
South West	74	18%
London	24	6%
Channel Islands	3	1%
Total	413	100%

Table 3.3: Number of LA-reliant museums by ONS Region (ranked in descending order)

	Number	Percent
South East	68	16%
Yorkshire	63	15%
North West	54	13%
South West	46	11%
West Midlands	46	11%
East of England	43	10%
East Midlands	43	10%
London	24	6%
North East	23	6%
Channel Islands	3	1%
Total	413	100%

Table 3.4: LA-reliant as a proportion of all accredited museums - ACE Area (ranked in descending order)

	Number of LA-reliant	Number of all accredited	Percent
North	140	335	42%
Midlands	89	241	37%
Channel Islands	3	10	30%
South West	74	283	26%
South East	83	331	25%
London	24	132	18%
Total	413	1332	31%

Table 3.5: LA-reliant as a proportion of all accredited museums - ONS Region (ranked in descending order)

	Number of LA-reliant	Number of all accredited	Percent
Yorkshire	63	138	46%
North West	54	135	40%
East Midlands	43	112	38%
North East	23	62	37%
West Midlands	46	129	36%
Channel Islands	3	10	30%
South East	68	239	28%
East of England	43	165	26%
South West	46	210	22%
London	24	132	18%
Total	413	1332	31%

Local Authority Spending on Museums since 2009-10

- 3.11 This section of the report focuses on local authority investment in museums. As noted in Section 1, as this study progressed, it was agreed with ACE that whilst the research would consider the range of public investment in museums, it would concentrate on local authority investment in museums. With this focus, it was agreed that the timescale for the data analysis elements of the study would be expanded to reflect on local authority investment in museums over a longer period, looking at investment from 2009-10 to date rather than from 2015.
- 3.12 The data collation and analysis have therefore captured data on local authority investment in museums since 2009-10 (collating and presenting data covering the financial years 2009-10 to 2022-23).
- 3.13 The key sources used for this are the RO5 and RSX DLUHC returns³⁰ and, in particular, local authority revenue expenditure on museums and galleries – which is captured via '114: Museums and Galleries' from the RO5 return³¹. The data on museums and galleries is compared to overall Total Cultural and Related Services expenditure (row 190 from the RO5 return), and also to Total Service Expenditure (row 699 from the RSX return).
- 3.14 It should be noted that this assessment focuses on revenue expenditure (and not capital expenditure). Capital expenditure data via DLUHC returns is not available at a sufficiently granular level to identify museums and galleries specific expenditure, although the wider issues around capital expenditure for museums are considered elsewhere in this report.
- 3.15 The data presented below outlines the Total Expenditure for Museums and Galleries, as well as Total Cultural and Related Services and Total Service Expenditure for two aspects – Total Expenditure and Net Current Expenditure. The difference between these two figures is that Net Current Expenditure takes account of Total Income (under the headings of 'Sales, Fees and Charges' and 'Other Income') whilst Total Expenditure does not, and reports the overall Total Expenditure.

Local Authority Revenue Expenditure on Museums and Galleries

- 3.16 As noted above, the data on local authority revenue expenditure for museums and galleries is taken from the annual returns provided to DLUHC by local authorities, and in particular, the RO5 return, which includes spending under 'Line 114: Museums and Galleries'. This captures local authority spending on: *All museums and galleries provided by the authority, with permanent collections open to the public; Museum services; Grants to independent museums*³².

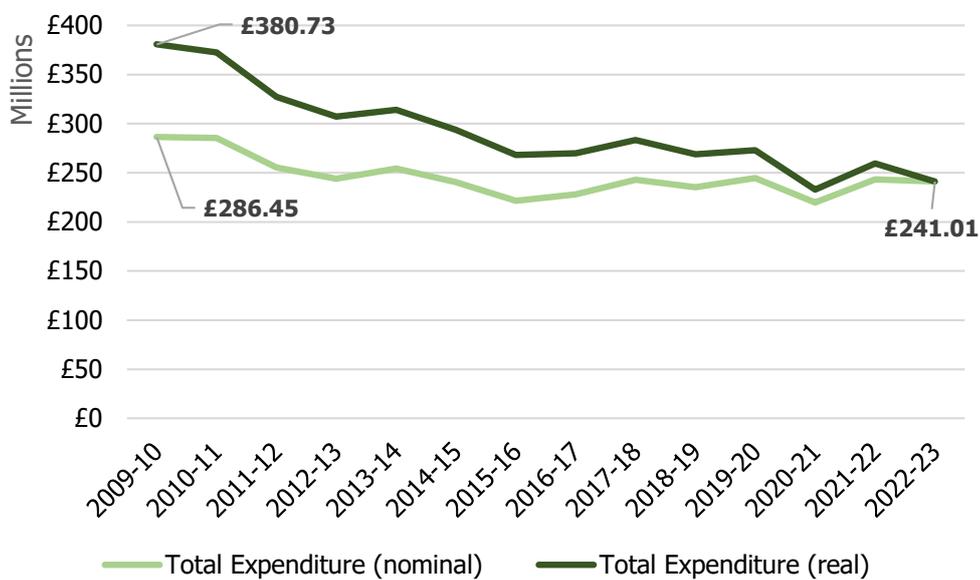
³⁰ <https://www.gov.uk/government/collections/local-authority-revenue-expenditure-and-financing>

³¹ DLUHC (<https://www.gov.uk/government/publications/general-fund-revenue-account-outturn/general-fund-revenue-account-outturn-specific-guidance-notes>) set out that Line 114: Museums and galleries captures spend on: All museums and galleries provided by the authority, with permanent collections open to the public; Museum services; Grants to independent museums.

³² <https://www.gov.uk/government/publications/general-fund-revenue-account-outturn/general-fund-revenue-account-outturn-specific-guidance-notes#ro5-cultural-environmental-regulatory-and-planning-services>

- 3.17 Data from 2009-10 to 2022-23 is presented below for expenditure on Museums and Galleries by local authorities, and shows that Total Expenditure has decreased over this specific time period, from £286.45 million (2009-10) to £241.01 million (2022-23).
- 3.18 This reduction equates to a 16% decrease in cash/nominal terms and, once inflation has been accounted for³³, this equates to a decrease in real terms of 36.7% in the Total Expenditure on Museums and Galleries by local authorities between 2009-10 and 2022-23.
- 3.19 The results are summarised in Figure 3.1 below, and Tables A2.1 and A2.2 in Annex 2 provide the source data.

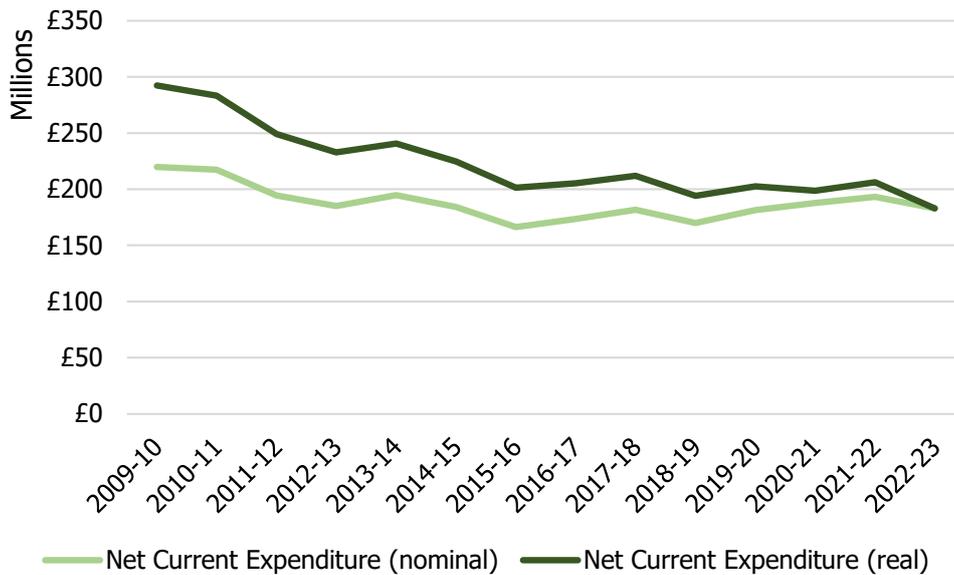
Figure 3.1: Total Expenditure on Museums and Galleries from 2009-10 to 2022-23 by Local Authorities (£millions)



- 3.20 Looking at Net Current Expenditure for Museums and Galleries (i.e., once Total Income from 'Sales, Fees and Charges' and 'Other Income' have been taken into account), the data shows that Net Current Expenditure on Museums and Galleries has decreased from £219.91 million (2009-10) to £183.05 million (2022-23).
- 3.21 This reduction equates to a 17% decrease in cash terms, and once inflation has been accounted for, this equates to a decrease in real terms of 37.4% in the Net Current Expenditure on Museums and Galleries by local authorities between 2009-10 and 2022-23.
- 3.22 The results are summarised in Figure 3.2 overleaf, and Tables A2.1 and A2.2 in Annex 2 provide the source data.

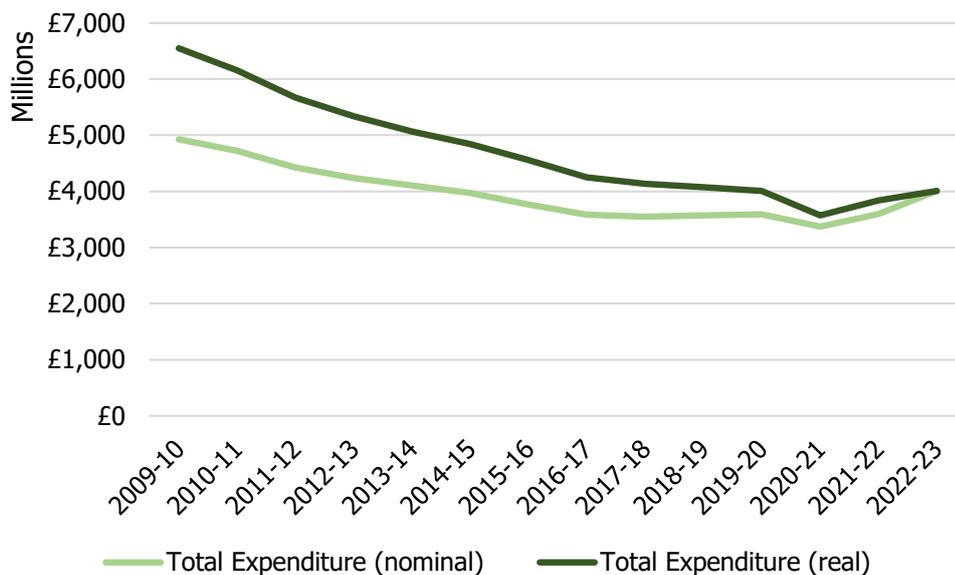
³³ The approach taken to develop the real expenditure values followed the HM Treasury guidance: <https://www.gov.uk/government/collections/gdp-deflators-at-market-prices-and-money-gdp> and <https://www.gov.uk/government/publications/how-to-use-the-gdp-deflator-series-practical-examples>, and used the most up to date (November 2023) data <https://www.gov.uk/government/statistics/gdp-deflators-at-market-prices-and-money-gdp-november-2023-autumn-statement> and https://assets.publishing.service.gov.uk/media/655f3f8f5a2c2d0012f3f2ca/GDP_Deflators_Autumn_Statement_November_2023_update.xlsx All real values are reported using 2022-2023 prices.

Figure 3.2: Net Current Expenditure on Museums and Galleries from 2009-10 to 2022-23 by Local Authorities (£millions)



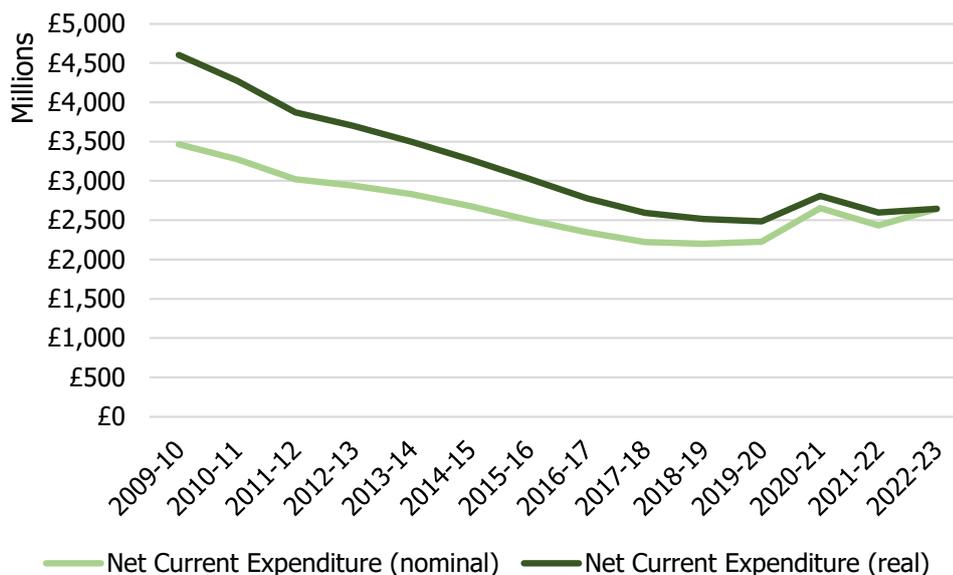
- 3.23 This change over time in the levels of local authority expenditure on Museums and Galleries can be compared to local authority expenditure on Total Cultural and Related Services and also to Total Service Expenditure.
- 3.24 Looking at Total Expenditure for Total Cultural and Related Services, the data shows a decrease from £4,924 million (2009-10) to £4,005 million (2022-23).
- 3.25 This reduction equates to a 19% decrease in cash terms and, once inflation has been accounted for, this equates to a decrease in real terms of 38.8% in Total Expenditure on Total Cultural and Related Services by local authorities between 2009-10 and 2022-23. The results are summarised in Figure 3.3 below, and Tables A2.3 and A2.4 in Annex 2 provide the source data.

Figure 3.3: Total Expenditure on Total Cultural and Related Services Expenditure from 2009-10 to 2022-23 by Local Authorities (£millions)



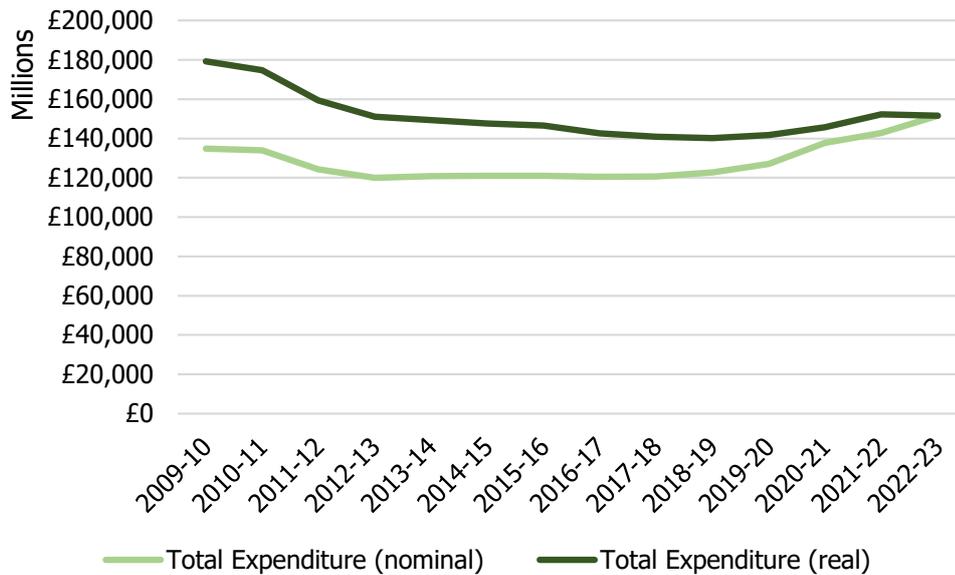
- 3.26 Looking at Net Current Expenditure for Total Cultural and Related Services, the data shows a decrease from £3,464 million (2009-10) to £2,644 million (2022-23).
- 3.27 This reduction equates to a 24% decrease in cash terms, and, once inflation has been accounted for, a 42.6% decrease in real terms in Net Current Expenditure on Total Cultural and Related Services by local authorities between 2009-10 and 2022-23.
- 3.28 The results are summarised in Figure 3.4, and Tables A2.3 and A2.4 in Annex 2 provide the source data.

Figure 3.4: Net Current Expenditure on Total Cultural and Related Services from 2009-10 to 2022-23 by Local Authorities (£millions)



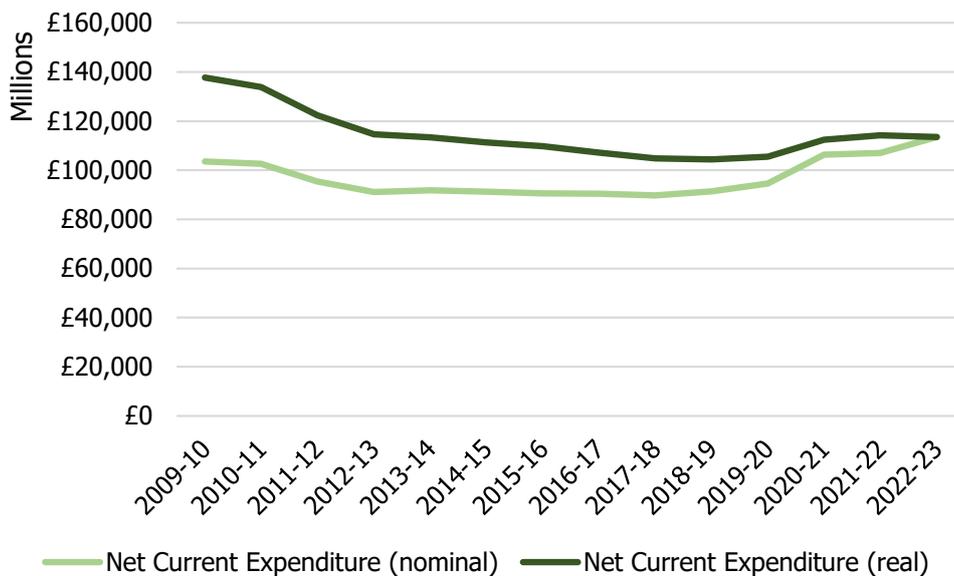
- 3.29 Turning now to Total Expenditure for Total Service Expenditure, the data shows an increase from £134,888 million (2009-10) to £151,660 million (2022-23).
- 3.30 This increase equates to a 12% increase in cash terms, and, once inflation has been accounted for, a 15.4% decrease in real terms in Total Expenditure for Total Service Expenditure by local authorities between 2009-10 and 2022-23.
- 3.31 The results are summarised in Figure 3.5 overleaf, and Tables A2.5 and A2.6 in Annex 2 provide the source data.

Figure 3.5: Total Expenditure on Total Service Expenditure from 2009-10 to 2022-23 by Local Authorities (£millions)



- 3.32 Looking at Net Current Expenditure for Total Service Expenditure, the data shows an increase from £103,625 million (2009-10) to £113,540 million (2022-23).
- 3.33 This equates to a 9.57% increase in cash terms, and, once inflation has been accounted for, a 17.6% decrease in real terms in Net Current Expenditure for Total Service Expenditure by local authorities between 2009-10 and 2022-23.
- 3.34 The results are summarised in the figure below, and Tables A2.5 and A2.6 in Annex 2 provide the source data.

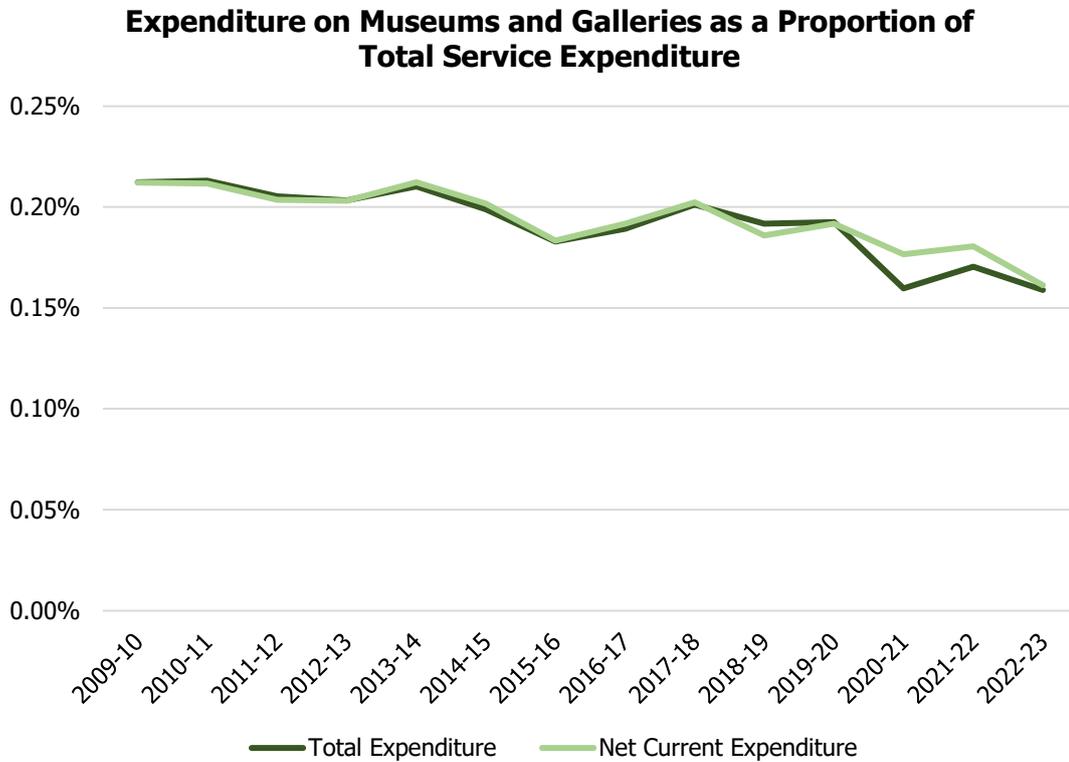
Figure 3.6: Net Current Expenditure on Total Service Expenditure from 2009-10 to 2022-23 by Local Authorities (£millions)



- 3.35 Finally, consideration can be given to the level of local authority expenditure on Museums and Galleries relative to Total Service Expenditure.
- 3.36 Museums and Galleries Total Expenditure as a percentage of Total Service Expenditure Total Expenditure decreased from 0.21% in 2009-10 to 0.16% in 2022-23. The same

proportionate change has occurred if Net Current Expenditure rather than Total Expenditure is considered. These results are summarised in Figure 3.7 below and in Annex 2.

Figure 3.7: Museums and Galleries Expenditure as a Proportion of Total Service Expenditure from 2009-10 to 2022-23 by Local Authorities



3.37 In summary, these results show that between 2009-10 and 2022-23:

- Total Expenditure on Museums and Galleries decreased by 16% in cash terms and 36.7% in real terms.
- Net Current Expenditure on Museums and Galleries decreased by 17% in cash terms and 37.4% in real terms.
- Total Expenditure on Total Cultural and Related Services decreased by 19% in cash terms and 38.8% in real terms.
- Net Current Expenditure on Total Cultural and Related Services decreased by 24% in cash terms and 42.6% in real terms.
- Total Expenditure on Total Service Expenditure increased by 12% in cash terms and decreased by 15.4% in real terms.
- Net Current Expenditure on Total Service Expenditure increased by 9.57% in cash terms and decreased by 17.6% in real terms.
- Museums and Galleries Total Expenditure as a percentage of Total Service Expenditure decreased from 0.21% in 2009-10 to 0.16% in 2022-23³⁴.

³⁴ The same proportionate change occurred for Net Current Expenditure as well as Total Expenditure.

Local Authority Revenue Expenditure on Museums and Galleries - Per Capita

- 3.38 This section looks at the results presented in the previous section about the Total Expenditure and Net Revenue Expenditure on Museums and Galleries, Total Cultural and Related Services, and Total Service Expenditure but considers them on a per capita basis – i.e. relative to the population size³⁵.
- 3.39 The key results are shown below, followed by Figures 3.8 to 3.14 (with source tables included in Annex 2):

- Museums and Galleries Total Expenditure Per Capita – decreased from £5.49 (2009-10) to £4.22 (2022-23). This equates to a 23% decrease in cash terms, and a 42.1% decrease in real terms. (see Figure 3.8)
- Museums and Galleries Net Current Expenditure Per Capita – decreased from £4.21 (2009-10) to £3.21 (2022-23). This equates to a 24% decrease in cash terms, and a 42.8% decrease in real terms. (see Figure 3.9)
- Total Cultural and Related Services Total Expenditure Per Capita – decreased from £94.34 (2009-10) to £70.14 (2022-23). This equates to a 26% decrease in cash terms, and a 44.1% decrease in real terms. (see Figure 3.10)
- Total Cultural and Related Services Net Current Expenditure Per Capita – decreased from £66.38 (2009-10) to £46.30 (2022-23). This equates to a 30% decrease in cash terms, and a 47.5% decrease in real terms. (see Figure 3.11)
- Total Service Expenditure Total Expenditure Per Capita – increased from £2,584.25 (2009-10) to £2655.75 (2022-23). This equates to a 3% increase in cash terms, and a 22.7% decrease in real terms. (see Figure 3.12)
- Total Service Expenditure Net Current Expenditure Per Capita – increased from £1,985.29 (2009-10) to £1,988.22 (2022-23). This equates to a 0.15% increase in cash terms, and a 24.7% decrease in real terms. (see Figure 3.13)

³⁵ The population data used to calculate the per capita expenditure figures draws from the most recent ONS data (released 23 November 2023, updated/corrected 19th December 2023) that provides national and local authority mid-year population estimates – <https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/datasets/estimatesofthepopulationforenglandandwales>

Figure 3.8: Spend Per Capita for Museums and Galleries - Total Expenditure from 2009-10 to 2022-23 by Local Authorities (£)

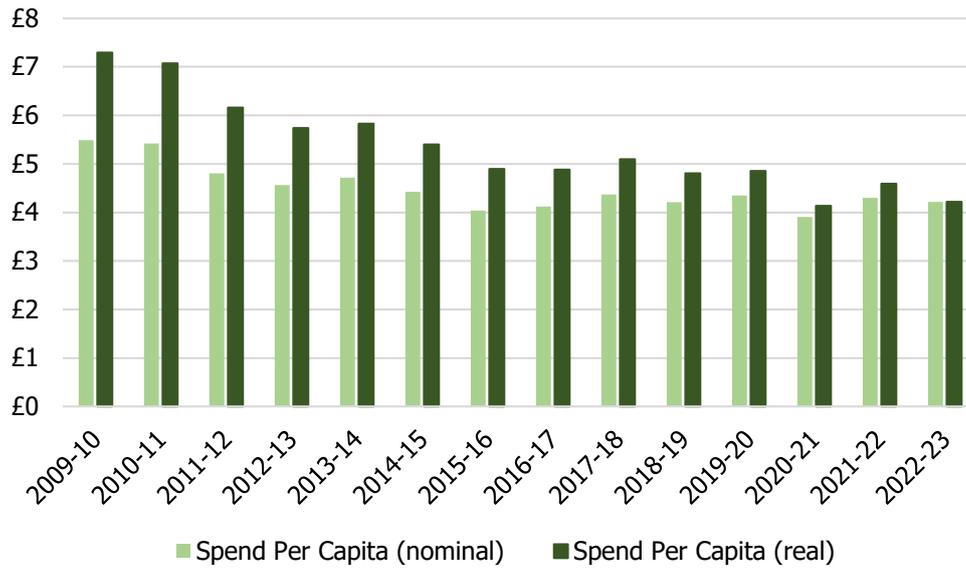


Figure 3.9: Spend Per Capita for Museums and Galleries – Net Current Expenditure from 2009-10 to 2022-23 by Local Authorities (£)

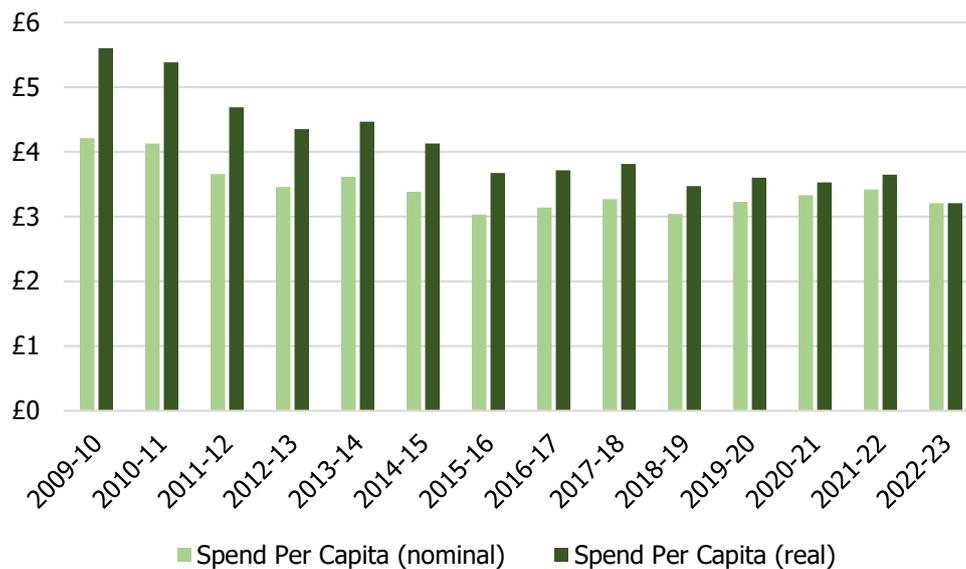


Figure 3.10: Spend Per Capita for Total Cultural and Related Services - Total Expenditure from 2009-10 to 2022-23 by Local Authorities (£)

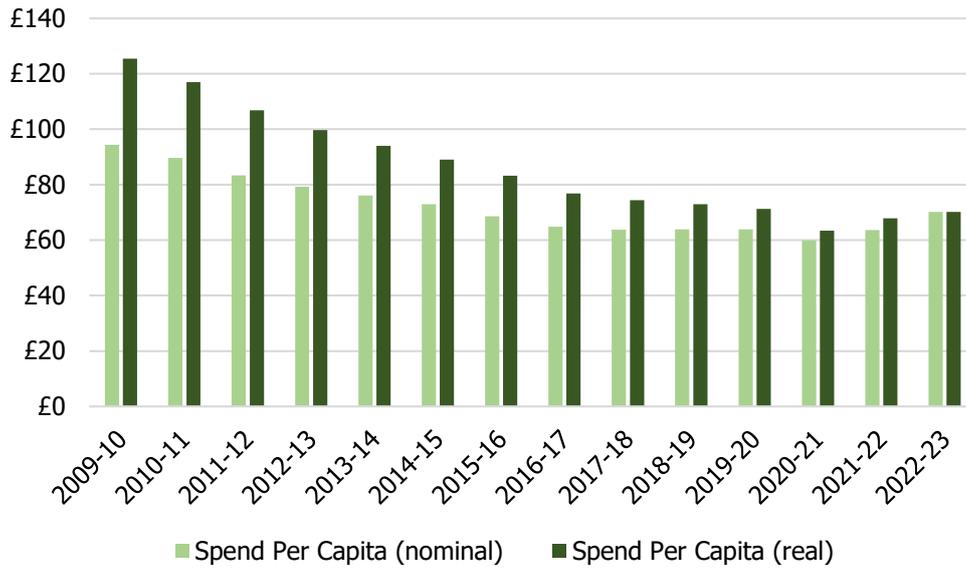


Figure 3.11: Spend Per Capita for Total Cultural and Related Services – Net Current Expenditure from 2009-10 to 2022-23 by Local Authorities (£)

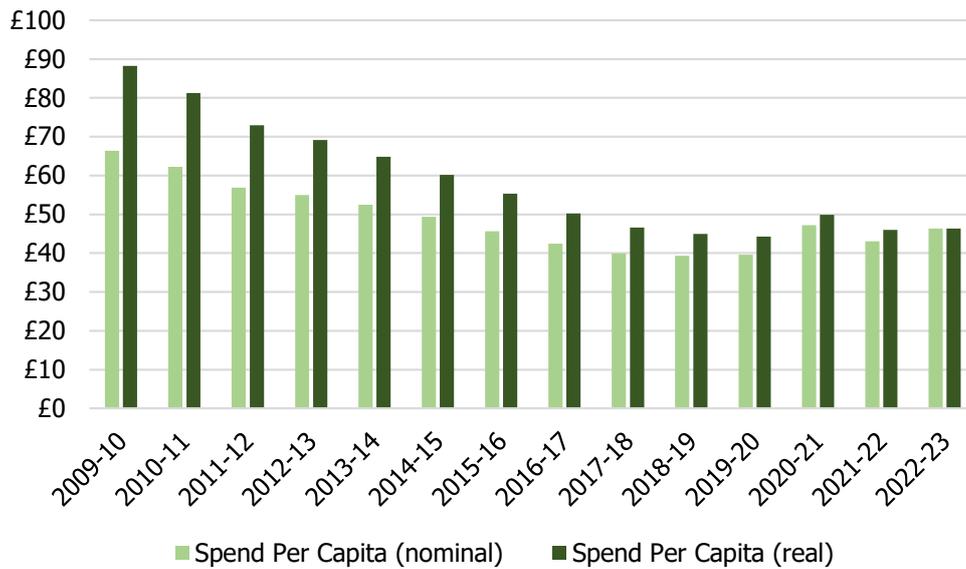


Figure 3.12: Spend Per Capita for Total Service Expenditure – Total Expenditure from 2009-10 to 2022-23 by Local Authorities (£)

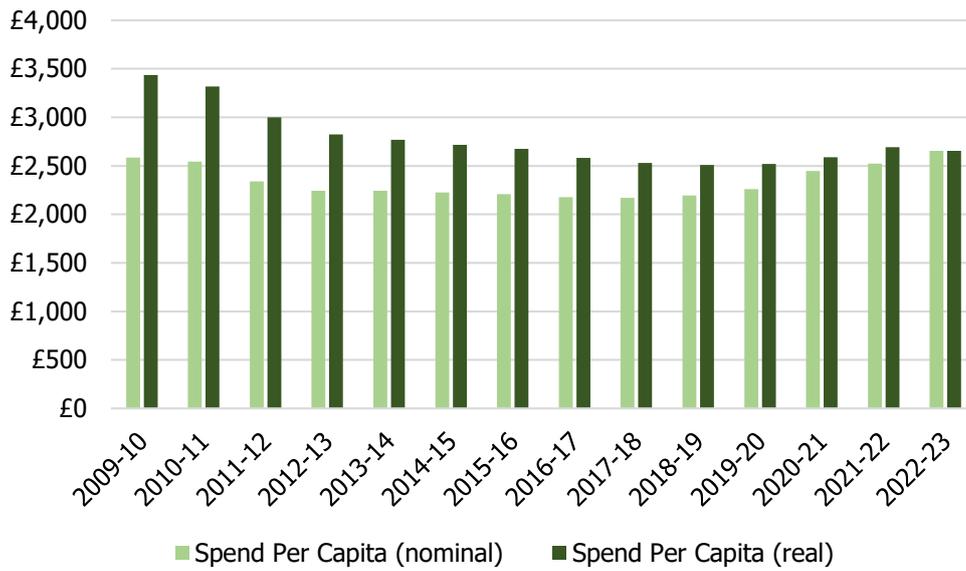
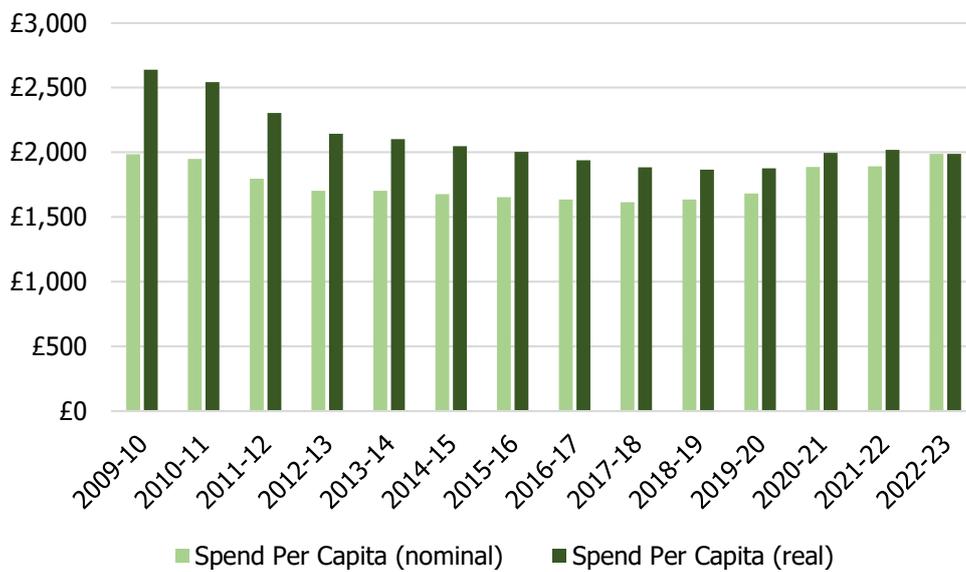


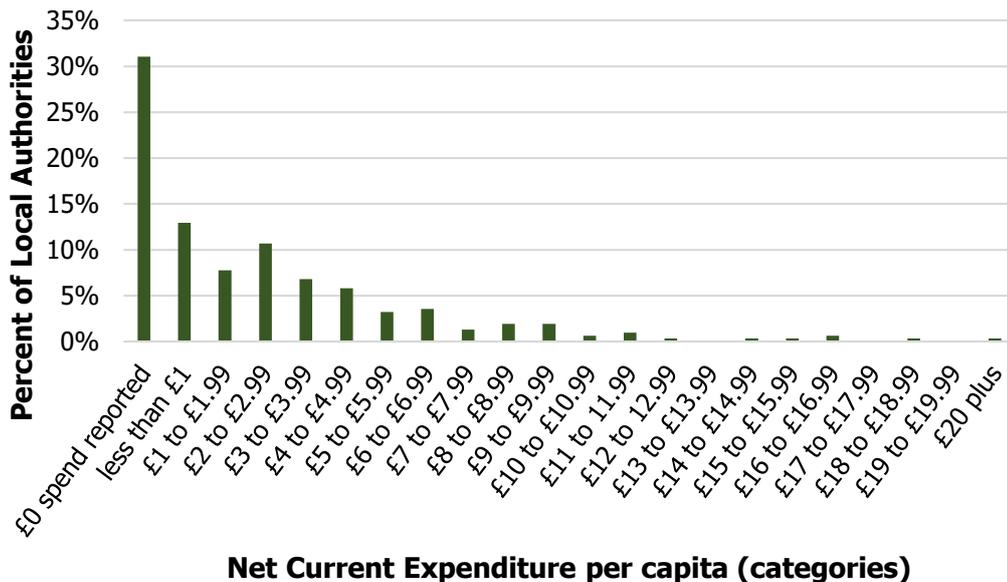
Figure 3.13: Spend Per Capita for Total Service Expenditure – Net Current Expenditure from 2009-10 to 2022-23 by Local Authorities (£)



Sub-National Analysis of Local Authority Expenditure on Museums

- 3.40 This sub-section of the report looks at local authority expenditure on museums at a sub-national level – considering the most recent DLUHC data (for 2022-23). The data is considered at local authority level, regional level, and ACE Area level, as well as looking at the data in relation to both ACE Priority Places and Levelling Up for Culture Places. The results presented below focus on Net Current Expenditure for Museums and Galleries.
- 3.41 As well as being useful in considering the overall position around local authority investment in museums, the results presented here could also be used at the individual local authority level as benchmarks for museum services/museum trusts to see how they compare to other areas as well as to regional and area averages.
- 3.42 Considering the data at the **local authority level**, Figure 3.14 below (and Table A2.14 in Annex 2) shows the range of spend per capita for Net Current Expenditure on Museums and Galleries by local authorities in 2022-23³⁶. These results show, as reported elsewhere in this report (e.g., see Section 4: Financial position and outlook) that the level of public investment in museums by local authorities is very different from place to place.

Figure 3.14: Museums and Galleries Net Current Expenditure (per capita) 2022-23 – Local Authorities (in categories)



- 3.43 As Figure 3.14 shows³⁷, for a notable proportion of local authorities (31%), the data shows Net Current Expenditure per capita on Museums and Galleries of 0 (zero). 13%

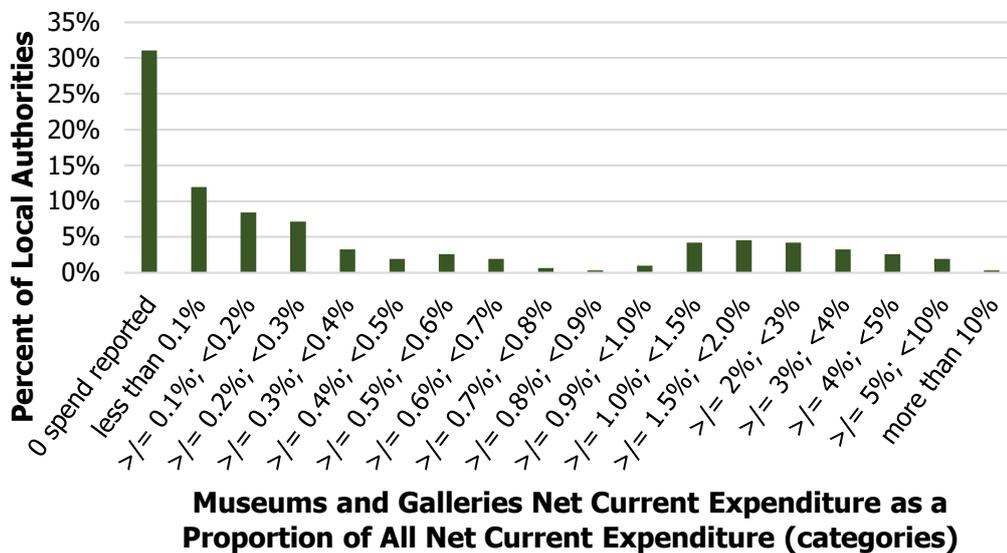
³⁶ The data presented here covers the 309 local authorities that fall within the following classifications: Unitary Authorities, Shire Districts, Metropolitan Districts, and London Boroughs.

³⁷ The various sources, assumptions, and notes to the data presented in this section are outlined in the relevant tables in Annex 2, and the interpretation of the results should give due consideration to these. For example, whilst not included in Figure 3.14, Table A2.14 shows that there are data value issues for 9% of local authorities (where there is no value recorded or a negative value is reported). Importantly, the total expenditure captured and reported in each figure/table can vary and, as such, the spend per capita figures reported here cannot be directly compared to the overall figure reported earlier. For example, the regional and area level results encapsulate total expenditure of £177.6M. The national

of local authorities spend less than £1 per capita on museums, and almost one-third (31%) have spend per capita values of between £1 and £5. 12% of local authorities show spend per capita of between £5 and £10, whilst only 2.3% of local authorities show spend per capita values of between £10 and £15. Finally, 1.6% of local authorities have spend per capita values greater than £15.

- 3.44 These results, as noted above, clearly show the variance that exists across the country when local authority Net Current Expenditure per capita on Museums and Galleries is considered.
- 3.45 In the same manner as carried out for the national results earlier in this section, consideration can be given to the level of local authority expenditure on Museums and Galleries relative to all Net Current Expenditure at the individual local authority level.
- 3.46 Figure 3.15 below (and Table A2.15 in Annex 2) show that 31% of local authorities have net current expenditure on Museums and Galleries of 0 (zero). Almost one third (32.7%) report spend on museums and galleries that accounts for less than 0.5% of All Net Current Expenditure for the local authority. 6.5% of local authorities have Net Current Expenditure levels on museums and galleries that accounts for between 0.5% and 1.0% of all net current expenditure. Almost one-in-five (18.8%) local authorities show Net Current Expenditure levels on museums and galleries that equates to between 1% and 5% of all Net Current Expenditure, whilst 1.9% of local authorities report spending on museums that accounts for between 5% and 10% of all Net Current Expenditure.

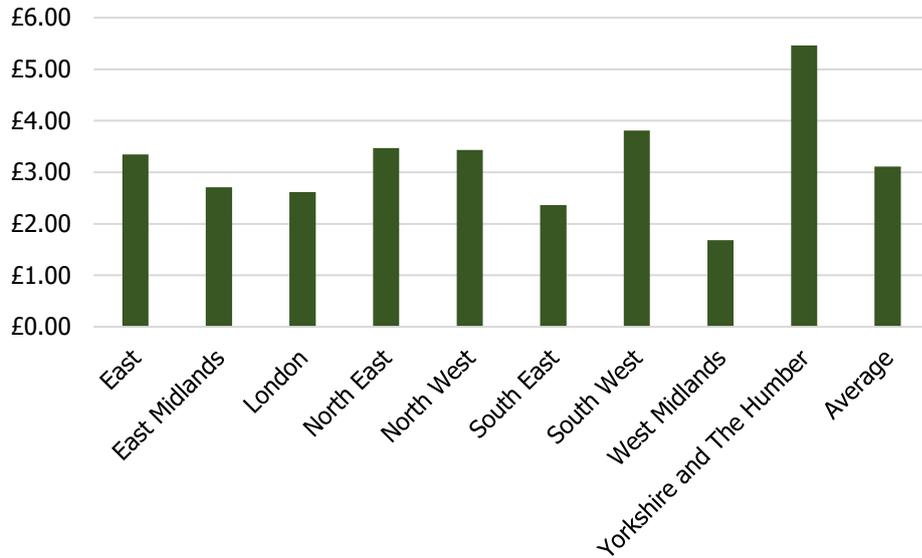
Figure 3.15: Museums and Galleries Net Current Expenditure as a Proportion of All Net Current Expenditure 2022-23 – Local Authorities (in categories)



England figure of £183.05M reported elsewhere in the report is, as stated in the published DLUHC RO5 return, "based on complete returns from 403 of the 426 local authorities in England. England totals have been estimated by also drawing on grant allocation data, where known, or the proportions within the previous year's data for which the missing 23 authorities accounted." Similarly, the Priority Place and Levelling Up results reported only capture lower-level local authority (i.e., Unitary Authorities, Shire Districts, Metropolitan Districts, and London Boroughs) expenditure which totals £151.5M as it does not include expenditure by upper tier authorities as this cannot be attributed to the relevant geographies.

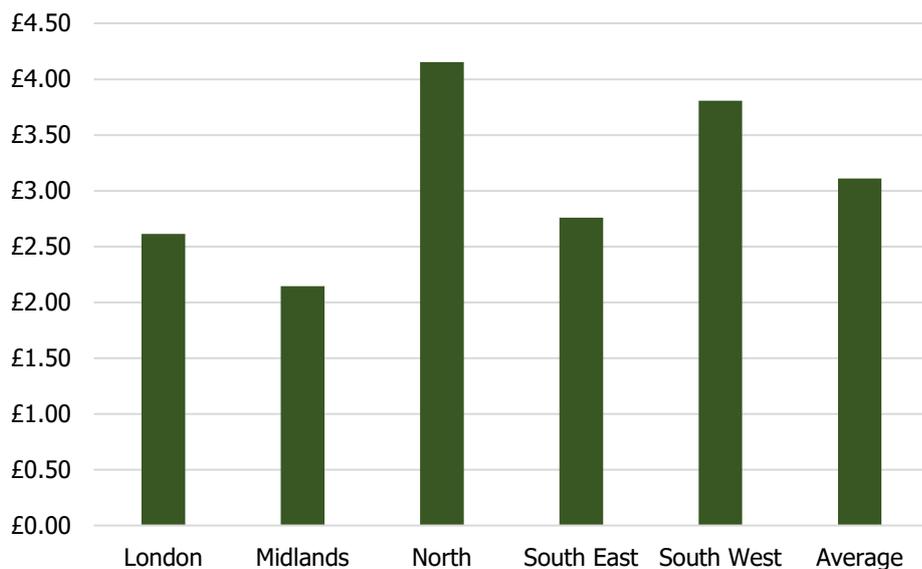
3.47 Looking at the results at the **regional level** (Figure 3.16 and Table A2.16 in Annex 2), the analysis shows that Yorkshire and the Humber has the highest spend per capita on museums and galleries at £5.46, followed by the South West (£3.81), the North East (£3.47) and the North West (£3.43). The East also reports above average spend per capita at £3.34, whilst all other regions report below average spend per capita (the average in this case is £3.11³⁸), with the West Midlands reporting the lowest at £1.68.

Figure 3.16: Museums and Galleries Net Current Expenditure (per capita) 2022-23 by Local Authorities – for ONS Regions (£)



3.48 Similarly, the results can be considered at the **ACE Area level** (see Figure 3.17 below and Table A2.17 in Annex 2), and this shows that the North has the highest per capita level of net current expenditure on museums and galleries at £4.15, followed by the South West at £3.81. The other ACE Areas report below-average values, with the Midlands recording the lowest at £2.15.

Figure 3.17: Museums and Galleries Net Current Expenditure (per capita) 2022-23 by Local Authorities – for ACE Areas (£)



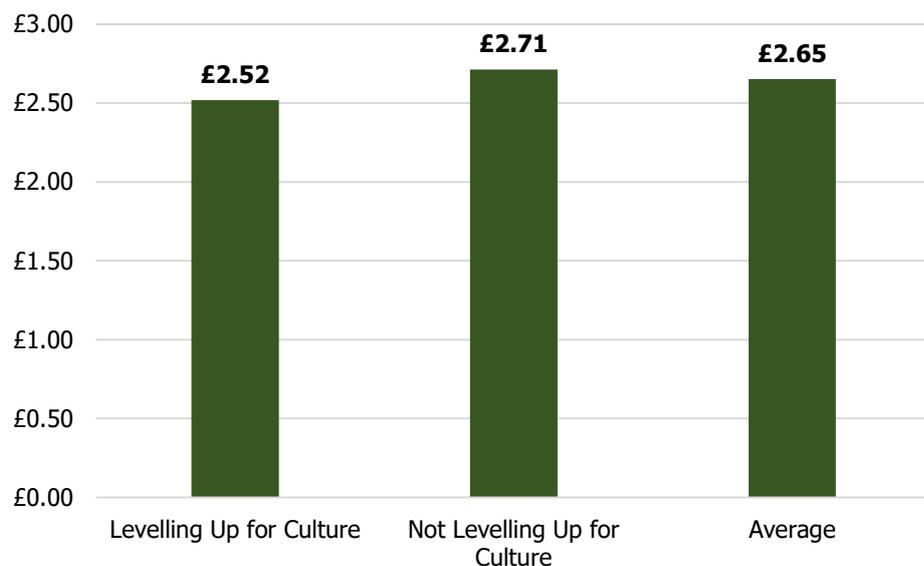
³⁸ See the notes to the relevant tables for an explanation of this overall average figure.

- 3.49 Finally, consideration can also be given to Net Current Expenditure on Museums and Galleries results per capita at the local level in relation to **ACE Priority Places** and **Levelling Up for Culture Places**.
- 3.50 These results (see Figures 3.18 and 3.19 below and the respective Tables in Annex 2) show that the average per capita levels of Net Current Expenditure on Museums and Galleries is very slightly lower for Priority Place areas compared to non-Priority Place areas (£2.64 compared to £2.65), suggesting that there is very little difference between them in terms of Net Current Expenditure on museums. The variance is greater for Levelling Up for Culture Places where the average is £2.52 compared to non-Levelling Up for Culture Places where the average is £2.71.

Figure 3.18: Museums and Galleries Net Current Expenditure (per capita) 2022-23 by Local Authorities – for Priority Places (£)



Figure 3.19: Museums and Galleries Net Current Expenditure (per capita) 2022-23 by Local Authorities – for Levelling Up for Culture Places (£)



4. CHALLENGES AND RISKS FACING LOCAL AUTHORITY-RELIANT MUSEUMS

Introduction to Section 4

4.1 This section considers the themes highlighted during interviews by the 35 stakeholders covering 30 museum services and museum and partner organisations interviewed between October and December 2023 (see Annex 1 for the list of consultees). Whilst the sample of interviewees has covered a cross-section of museum services and organisations from across England, these themes are not necessarily representative of the challenges and risks facing all local authority-reliant museums. As such, this section of the report presents indicative themes including the challenges and risks as fed back by interviewees.

Challenges and Risks facing Local Authority-Reliant Museums

4.2 Whilst all museum interviewees are members of the ECMN, the sample of museum services and museum organisations engaged in the interviews is diverse. Each service is unique in terms of its structure, assets, operating model, funding position and staffing. They also serve and support different communities, ranging from urban and rural communities, areas of relative disadvantage or affluence and diverse or less diverse populations. Consequently, whilst the following section of the report outlines the main challenges and risks facing local authority-reliant museums, the distribution and severity of these is unique to each service.

4.3 Based on the analysis of these interviews, these challenges and risks have been drawn together into the five overarching themes below:

Financial position and outlook

4.4 Building on the overall findings from Section 3 of this report, and consistent with the findings of the 2021 Museum Associations report into local authority investment in museums,³⁹ it is evident that the position of museums in terms of local government funding is very different from place to place. Although some have held up (in cash terms) in recent years, others have been facing declining core grants or budgets in recent times.

4.5 For some, the decreases experienced have been significant with some services facing an in-year (2023-24) cut of 40% whilst others report the scale of decrease in the investment from their respective local authorities over recent years amounting to a cut of almost half. Examples from consultees include a 47% cut between 2011-12 and 2022-23 for one museum trust, another reported a similar scale (48%) cut since 2015-16, whilst further examples include a trust that has faced a reduction in their local authority funding of more than 80% between 2009-10 and 2022-23. It should also be noted that each of these examples is reported in cash/nominal terms and would therefore be even greater if reported in real terms once inflation was considered.

4.6 Given this context, some consultees reported that their museum trust had been running at a deficit in recent years, and as a result some report they have been drawing on their reserves, whilst others have been relying on loan arrangements with, or letters of credit from, their respective local authorities.

³⁹ Rex, B. & R. Campbell (2021)- 'Local Authority Investment in Museums after a Decade of Austerity'.

- 4.7 There is rising concern around local authorities' financial position, specifically the likelihood of more local authorities issuing section 114 notices, and the resultant implications for museum services. Consistently, service heads (either in-house or within Trusts) emphasised that this situation was wholly outside their control but was a significant, if not the most significant, factor affecting their confidence to survive as a viable service.
- 4.8 Several services reported to have no confidence in the ability of their respective local authority to provide the necessary investment required to sustain a quality museum function. There was a common reference to services feeling 'stripped to the bare bones' with 'no fat in the system' due to the longer-term cuts (cash and real terms) in budgets. This has been compounded more recently by inflationary pressures such as increasing staff costs (including the recently announced rise in the National Minimum Wage and National Living Wage),⁴⁰ and rising utility costs. Services report that they are being asked to 'do more with less' after over a decade of budgetary pressure.
- 4.9 The uncertainty around the local authority funding position, especially beyond 2024-25, is for some creating a degree of paralysis, affecting the ability to plan or action changes to their delivery and operating models to achieve a more sustainable position.
- 4.10 For many services, there was a suggestion that investment from Arts Council England and National Lottery Heritage Fund was making up for shortfalls in local authority budgets. In other words, substituting core funding and simply helping services to keep the doors open rather than achieving their potential to deliver a range of economic, cultural, social and educational outcomes for their local areas. Services raised concerns around their ability to deliver against the NPO targets and commitments and contribute to achieving the vision set out in Arts Council's Let's Create Strategy⁴¹ or the Heritage Fund's 10-year strategy.⁴²
- 4.11 Several Museum Trusts raised concerns about running close to or being at their ringfenced level of reserves. As noted above, in some cases, Trusts had dipped into their reserves to plug a shortfall in their budget with the hope that they may be able to replenish their reserves in future years. As Trusts are registered charities, they are required to adhere to regulations set out by the Charity Commission for England and Wales.⁴³ The financial challenges facing Trusts because of declining public investment levels run the risk of contravening their obligations as set out by the Commission.

Workforce issues

- 4.12 The consultations have revealed a range of outlooks regarding the ability of the sector and/or individual services to weather the current challenges they face. Whilst some are optimistic, others are pessimistic, depending on the individual circumstances and issues facing their respective service. All stakeholders expressed a need for greater flexibility and support to help with increasing the financial sustainability of museums.
- 4.13 One of the observations in delivering the interviews with service heads was the physical and mental toll that the recent and current financial pressures are having on them. Many are drained by the stress of trying to keep their service afloat and constantly firefighting to deal with budget shortfalls. Staff reported feeling "old and tired", "demotivated", "wrung out", "drained", "had the stuffing knocked out of them", "trying

⁴⁰ [National Minimum Wage and National Living Wage rates](#)

⁴¹ [Arts Council England Let's Create Strategy 2020-2030.](#)

⁴² [National Lottery Heritage Fund: Heritage 2033](#)

⁴³ [Charity Commission for England and Wales: Charity Reserves: Building Resilience. June 2023.](#)

really hard not to feel too despondent”, “deeply pessimistic”, “running out of steam” and so on.

- 4.14 It is important to recognise the wellbeing support needs of service heads and wider staff and consider options to provide help and encouragement. This has direct relevance for the ability of service heads to implement any recovery or reorganisation plans to secure the future of their respective services.
- 4.15 A further issue raised in consultations relates to workforce pay and conditions. Given the real-terms cuts affecting many services, much of the workforce has not had a real-terms pay rise for many years. This is directly affecting morale and creating challenges in both recruitment and retention, compounded by the recent cost of living pressures. Services spoke of the difficulty of recruiting to posts which in turn exacerbated wider capacity pressures.

Skills and capacity

- 4.16 Many services have experienced substantial reductions in the number of FTE roles due to successive restructures and reorganisation since 2009-10. There is a recruitment freeze in most services, with some having been unable to recruit to established posts for several years. In practice, this means that many services have less skills and capacity to address the multiple challenges they face because of existing financial pressures and often from legacy infrastructure and contractual decisions.
- 4.17 Stakeholders raised concerns about the deleterious impact of the loss of specialist skills, stating that services have been ‘hollowed out’ and now lack a range of curatorial or commercial skills. Consequently, services indicated that this not only limited their ability to drive change in their operational model but also their ability to deliver learning, health and wellbeing outcomes for local communities. This in turn served to undermine the position of services in making a case for investment by demonstrating the positive contribution they make to achieving local and national policy objectives.
- 4.18 Concerns about the loss of skills and capacity are not restricted to museum services. Several stakeholders indicated that one of the contributing factors in the current precarious position of local authority-reliant museums was the loss of staff with the necessary skills, knowledge and experience in managing both museum and other local authority services, and particularly their physical infrastructure. It was suggested that the centralisation of facilities management and maintenance within local authorities has led to a lack of necessary scrutiny on budgets. As a result, some sites have suffered from chronic underinvestment with maintenance schedules being missed, leading to considerable deterioration in the physical condition of many museum buildings.
- 4.19 The loss of skills and capacity is also hampering the ability of services to secure much-needed capital investment. One example is the lack of capacity to draw together the necessary plans and specifications to achieve RIBA Level 3, something that is required to secure funding from the Museum Estate and Development Fund (MEND).
- 4.20 Stakeholders also referenced a lack of commercial experience in relation to managing museums which, along with insufficient due diligence, had resulted in local authorities being tied into contractual arrangements that were expensive and inefficient. These decisions are directly impacting the financial position and vulnerability of museum services.

Making the case

- 4.21 One of the most important aspects of helping to protect public investment in museums was the ability of service heads to build and manage relationships with Service Directors and Portfolio Holders within their local authority. Over recent years, restructuring within local authorities and museum services has resulted in high levels of staff turnover. The study team noted that a number of the stakeholders consulted for this research had been in post for a relatively short period of time (less than 2 years' service). The high staff turnover has created challenges in terms of maintaining the visibility and profile of museum services. This has also meant that service heads have had to rebuild relationships, an activity that can be difficult and time-consuming for Trusts.
- 4.22 This may suggest that the relationship between museum services and other areas of the local authority has been overly reliant on personal relationships rather than securing the recognition of the role of museums for places at an organisational or strategic level. Although in-house museum services generally indicated that they had received positive support from their respective Portfolio Holders, the extent to which this had translated into effective advocacy to other relevant Portfolio Holders covering education, economic development, health and wellbeing and finance was less clear. In addition, although Service Directors, who often cover much wider portfolios, have also been largely supportive, this was not translating into further investment in protected services.
- 4.23 Another issue highlighted in consultations was that not all services have the necessary systems in place to capture robust data on the profiles of those visiting museum venues or accessing support through the service. The absence of profile information over and above footfall is, for some, limiting their ability to make a case for investment based on the contribution of museums to supporting local economic growth, protecting the high street, or delivering outcomes for those supported by Children's Services or Adult Social Care. More generally, these were areas where service heads were keen to access more research and advocacy material to enable them to present a stronger economic case for investment.
- 4.24 Generally, stakeholders felt that the acute pressures facing local authority budgets were leading to an increase in the likelihood of elected members and officers making short-term financial decisions that will have negative longer-term (and possibly irreversible) consequences not only for museum services but also, given the civic role of museums, for communities more generally.

Levers for change

- 4.25 A recurrent theme in consultations was the frustration that services generally had limited room for manoeuvre within their operating model and financial positions. Stakeholders spoke of their fixed costs being 'baked in' to their budgets because of previous financial, legal, and contractual decisions.
- 4.26 These fixed costs include, for example, unfavourable service level agreements and lease arrangements (e.g. services liable for a full repairing lease on venues that had suffered from longer-term underinvestment). Whilst some services reported that their local authority was responsible for covering the services' utility costs or staff pay rises, this was the exception rather than the rule. As a result, these fixed costs further eroded the funding position of services and squeezed available budgets for events, activities and targeted work with key audiences and communities.

- 4.27 To varying degrees, services have to date been able to protect their budgets from even more severe cuts modelled by local authorities by articulating the ongoing commitments associated with previous or current investments from other sources. Notable examples include services being able to protect their budgets through articulating the risk associated with services losing their NPO status and funding from ACE or being required to pay back a portion of prior investment from the National Lottery Heritage Fund should venues be closed.
- 4.28 Several stakeholders indicated that their local authority was not always cognisant of their contingent liability and the true cost of closing sites or whole services (for example redundancy costs, the ongoing requirement to maintain and secure sites and collections). Commonly this lack of awareness was not within their associated directorate or Portfolio Holder, but within elected members and officers responsible for preparing financial statements and budget settlements.
- 4.29 Stakeholders were conscious of the need to avoid developing an adversarial position between museum services and those within the local authority responsible for setting the annual budgets. However, at the same time, consultees voiced the need to provide service heads with sufficient information to aid negotiations and raise the profile of museum services.
- 4.30 There are many positive examples of progress made within the sector towards embracing a more commercial and entrepreneurial approach, including generating income from traded services, there are limits on the extent to which these measures can offset reductions in public sector investment. One example of the change around developing commercial income and diversifying income is reported by one museum trust where, in 2015-16, 92% of income was from Arts Council England and the local authority, and these sources now account for only 40% of income. Another example of this shift is reported by a different museum trust where the proportion of gross income from the local authority and Arts Council has reduced from 49% of total income in 2012-13 to 23% of income in 2022-23, with enterprises and earned income, admissions, and fundraised income now accounting for 77% of gross income.
- 4.31 In some cases, income generated within services is reimbursed to the local authority rather than into the service, further compounding financial pressures. This is also the case with refunds secured through business rates relief. Reductions in opening hours, as part of cost-cutting exercises, and underinvestment in facilities more generally mean that individual sites or venues are less attractive to commercial operators. This is serving to limit the ability of services to grow alternative income streams.
- 4.32 Many stakeholders indicated that discussions around developing new income streams had included modelling the introduction of admission charges. Whilst this was strictly off the table for some services due to long-standing positions taken by local authority politicians, for others, service heads were being encouraged to consider introducing charges.
- 4.33 Consultations revealed a consensus that the introduction of admission charges was not a panacea for the financial challenges facing museums, and in fact could be counterproductive in terms of efforts to diversify audience profiles, particularly where services are located in areas of relative deprivation. Stakeholders also emphasised that the introduction of admission charges had the potential to significantly reduce visitor numbers and footfall, with knock-on effects on the local economy.

- 4.34 One of the most pressing concerns raised by stakeholders related to the significant and growing risks facing key heritage assets within the museums sector. With some museum venues and buildings already on the Heritage at Risk (HAR) register, declining investment, potential closure of sites and underinvestment in maintenance regimes raise a real prospect that many more important cultural and heritage assets could be in danger of suffering irreversible damage. Stakeholders emphasised a need for Arts Council England, National Lottery Heritage Fund and Historic England to work collaboratively to support efforts to protect these assets in the context of continuing budget pressures.
- 4.35 The challenges facing museum infrastructure and assets were deepened by a reluctance within some local authorities to support or underwrite bids to MEND or the National Lottery Heritage Fund. This was commonly due to the absence of match funding but also where local authorities recognise the longer-term liabilities associated with investment from external sources. As a result, many assets in critical need of capital investment are missing out on potential funding opportunities.
- 4.36 Finally, the precarious positions of many local authority-reliant museums would likely limit the prospects of securing investment from Trusts and Foundations, given the requirement to demonstrate viable and sustainable operating models as part of the application and assessment processes. Stakeholders also emphasised increased competition for funding from Trusts and Foundations, which meant that services which had benefited from relative protection in their budget position also had stronger prospects of securing investment from non-public sources. This is serving to create 'winners' and 'losers' within local authority-reliant museums, an issue exacerbated by a lack of capacity and experience in many services in preparing and submitting competitive funding applications.

5. ISSUES TO CONSIDER AND POTENTIAL ACTIONS

Introduction to Section 5

5.1 This section outlines a series of issues to consider and potential actions to support the sector over the next three years and contribute to efforts to improve resilience for local authority-reliant museums. Based on the assessment of the data and feedback from attendees at each of the four group discussions that took place in December 2023, a small number of suggestions are also provided around further areas for research that fall outside the parameters of this study.

Issues and Potential Actions

5.2 The issues to consider and potential actions below are provided consistent with the five overarching themes presented in the previous section.

Financial position and outlook

- Given the precarious financial position that many civic museums find themselves in, and the challenging outlook ahead, growth funding is required to enable services to first survive and then thrive. Any growth funding should be tied to focused action within the sector, a 'Reform in the Regions' as some consultees described it, to transition to operating models that are less reliant on public investment.
- Relative to many other artforms, museums secure less investment from private sources. The sector should review existing approaches across the civic museums network and for local authority-reliant museums more widely and draw together an action plan to support services to attract investment from private sources, including corporate giving.
- Consideration needs to be given to exploring options for services to merge functions or merge completely if this generates the necessary efficiencies to ensure their survival. This process may include objective decisions around the rationalisation of venues or collections where this enables services to achieve a more sustainable financial position.

Workforce issues

- The sector should consider developing a new action plan for the museum workforce that focuses on practical and financially viable steps to enable services to attract and retain the talent needed to drive change and delivery outcomes for local communities.
- As a matter of urgency, there is a need to support the wellbeing of museum service heads and the wider workforce in the face of the unsustainable pressures facing many in the civic network. Without this support there is a real danger that leadership capacity and motivation will diminish, limiting the ability of the sector to drive change.

Skills and capacity

- Given the loss of specialist posts and the resultant impact on the ability of services to achieve their potential, increasing the use of, or supporting greater use of, joint appointments or shared regional resources should be considered as a vehicle to enable services to access the skills and capacity needed to diversify income streams and pursue new operating models.

- The uncertain future for many heritage venues hosted within the sector raises wider concerns around a potential loss of culturally and historically significant historic places and sites. An urgent review is required of local authority management and maintenance arrangements for non-national accredited museum venues as well as their condition and investment needs. This also highlights the importance that MEND has had in supporting services to maintain and manage their heritage assets.
- Recent increases in energy costs and the drive for decarbonisation requires services to understand practical steps that can be taken to enable museums to work towards being both carbon neutral and financially sustainable. Consideration should be given to either administering a bespoke training programme for members of the civic museums network and the wider cohort of local authority-reliant museums and/or linking with or signposting towards existing programmes and support around carbon literacy⁴⁴.

Making the case

- Any further contraction of civic museums and the wider cohort of local authority-reliant museums due to pressures on local government finances will have negative and potentially lasting implications that go beyond the remit of DCMS, including impacts for education, health, economic growth and the Levelling-Up missions. There is a pressing need to draw together a cross-government committee to consider the issues facing LA-reliant museums.
- Museum sector organisations should consider direct representation to the Association of Local Authority Chief Executives and Senior Managers (ALACE) and the Chartered Institute of Public Finance and Accountancy (CIPFA) to ensure that the investment needs of museums and implications of potential future budget cuts are fully understood.
- Members of the civic museums network would benefit from guidance on the implications of, and opportunities associated with, the process of devolving powers to local government, including the creation of Mayoral Combined Authorities.

Levers for Change

- There are numerous examples of good practice across the civic museums network and the wider cohort of local authority-reliant museums of commercial activity and entrepreneurial practice that is helping to diversify income streams and reduce reliance on public investment. Training and associated guidance resources should be produced to encourage and enable museum service heads to consider these in their future operating models. This should include practice examples of museum services helping to drive efficiencies, support outcomes, reduce demand and deliver better value for other statutory services such as Children's Services and Adult Social Care.
- Those supporting the museums sector should coordinate a communication to all relevant local authorities that currently provide funding to civic museums to set out their obligations and liabilities in relation to prior investments and the potential loss of grant funding associated with the closure of services.

⁴⁴ For example, <https://carbonliteracy.com/toolkits/museums/>

Further research

- Although this research has collated and analysed local government spending (and various other sources of public investment) on museums and galleries from a range of sources, there is merit in broadening the scope to map investment through other targeted or area-based programmes. For example, Heritage Action Zones, Cultural Destinations Fund, Future High Streets Fund, and the UK Shared Prosperity Fund (UK SPF).
- There is consensus from members of the civic museums network that research which can clearly articulate the economic case for investing in museums would provide a valuable resource for budget/funding negotiations within local authorities. This can build on the museum-specific aspects of the Cultural and Heritage Capital work that is being led by DCMS⁴⁵ as well as the existing museum specific guidance⁴⁶. Consideration should be given to assessing the extent to which such work is being accepted by non-museum/non-cultural funders in helping to make the case for museums.
- There is much interest in the civic museums network in exploring and understanding whether there are any trends in relation to financial position, outlook and resilience based on whether services are hosted within a local authority or within a Trust. Consideration should be given to commissioning specific research on the respective position (and strengths and weaknesses in the current context) of each model.

⁴⁵ <https://www.gov.uk/guidance/culture-and-heritage-capital-portal>

⁴⁶ <https://www.artscouncil.org.uk/culture-heritage-capital>

ANNEX 1: LIST OF CONSULTEES AND FOCUS GROUPS

Name	Role	Organisation
Jon Finch	Head of Culture and Visitor Economy	Barnsley Council
Sara Wajid	Co-CEO	Birmingham Museums Trust
Zak Mensah	Co-CEO	Birmingham Museums Trust
Rebecca Johnson	Arts and Heritage Manager	Blackburn with Darwen Borough Council
James Steward	Head of Service, Museums & Galleries	Bradford City Council
Hedley Swain	CEO	Brighton & Hove Museums
Frank Hargrave	Colchester and Ipswich Museums Manager	Colchester Borough Council
Marguerite Nugent	Interim Director of Culture	Culture Coventry
Paul Breed	Chief Executive Officer	Culture Coventry
Tony Butler	Executive Director	Derby Museums
Paul Sapwell	Chief Executive	Hampshire Cultural Trust
Simon Green	Director of Cultural Services	Hull Culture & Leisure
Deborah Marsland	Museums and Galleries Manager	Kirklees Council
Emma Heslewood	Senior Museum Manager	Lancashire County Council
Carolyn Dalton	Museum Development Manager	Lancaster City Council
David Hopes	Head of Leeds Museums & Galleries	Leeds Museums & Galleries, Leeds City Council
Lauren Lucas	Adviser – Culture, Tourism and Sport	LGA
Sam Smith	LGA Finance Policy Team	LGA
Esmé Ward	Director	Manchester Museum, University of Manchester
Vic Harding	Museum Development	Museum Development
Jamie Everitt	Museum Development	Museum Development
Rowan Brown	Chief Executive Officer	Museums Northumberland
Steve Miller	Director of Culture & Heritage	Norfolk County Council
Ron Inglis	Chief Operating Officer [Museum Collections]	Nottingham City Council
Camilla Hampshire	Museums Manager	Royal Albert Memorial Museum
Kim Streets	Chief Executive	Sheffield Museums Trust
Kirstie Hamilton	Director of Programmes	Sheffield Museums Trust
Sam Astill	Head of Museums	South West Heritage Trust
Tom Mayberry	Chief Executive Officer	South West Heritage Trust
Victoria Pomery	CEO	The Box, Plymouth
Marie Kirbyshaw	CEO	The Culture Trust, Luton
Andrew Mackay	Director	Tullie House Museum and Art Gallery Trust
Keith Merrin	Director	Tyne & Wear Archives & Museums
Phillipa Tinsley	Museums Manager, Museums Worcestershire	Worcester City Council and Worcestershire County Council
Kathryn Blacker	CEO	York Museums Trust

In addition to the consultations carried out with those listed in the table on the previous page, four group discussion meetings were held with representatives from the museum sector.

These groups discussions took place in December 2023, as follows:

- 6th December – with representatives from the museum organisations group
- 12th December – with representatives from the ACE Museums and Cultural Property Team
- 13th December – with representatives from DCMS
- 20th December – with representatives from the English Civic Museums Network

Each discussion group involved the study team presenting the emerging findings from the research (covering both the data analysis results and the consultation findings), and was followed by a discussion with attendees about the results and the implications of the findings.

ANNEX 2: DATA TABLES AND DATA SOURCES

Table A2.1: Local Authority Expenditure on Museums and Galleries (Nominal values) 2009-10 to 2022-23

	£000's	£000's
Museums and Galleries (Nominal values)	Total Expenditure	Net Current Expenditure
2009-10	286,453	219,912
2010-11	285,494	217,297
2011-12	255,289	194,325
2012-13	244,000	184,942
2013-14	254,320	194,857
2014-15	240,593	184,020
2015-16	221,431	166,213
2016-17	227,906	173,459
2017-18	242,996	181,775
2018-19	235,412	169,918
2019-20	244,722	181,441
2020-21	219,924	187,656
2021-22	243,301	193,362
2022-23	241,013	183,053

Source: DC Research/Wavehill analysis of DLUHC RO5 and RSX returns 2009-10 to 2022-23 ([Local authority revenue expenditure and financing - GOV.UK \(www.gov.uk\)](http://www.gov.uk) and [GDP deflators at market prices, and money GDP November 2023 \(Autumn Statement\) - GOV.UK \(www.gov.uk\)](http://www.gov.uk), accessed 14th December 2023

Table A2.2: Local Authority Expenditure on Museums and Galleries (Real values) 2009-10 to 2022-23

	£000's	£000's
Museums and Galleries (Real values)	Total Expenditure	Net Current Expenditure
2009-10	380,729	292,288
2010-11	372,435	283,470
2011-12	327,264	249,112
2012-13	307,154	232,810
2013-14	314,107	240,665
2014-15	293,582	224,549
2015-16	268,268	201,370
2016-17	269,973	205,476
2017-18	283,410	212,007
2018-19	268,892	194,083
2019-20	273,078	202,465
2020-21	232,734	198,586
2021-22	259,544	206,270
2022-23	241,013	183,053

Source: DC Research/Wavehill analysis of DLUHC RO5 and RSX returns 2009-10 to 2022-23 ([Local authority revenue expenditure and financing - GOV.UK \(www.gov.uk\)](http://www.gov.uk) and [GDP deflators at market prices, and money GDP November 2023 \(Autumn Statement\) - GOV.UK \(www.gov.uk\)](http://www.gov.uk), accessed 14th December 2023

Table A2.3: Local Authority Expenditure on Total Cultural and Related Services (Nominal values) 2009-10 to 2022-23

	£000's	£000's
Total Cultural and Related Services (Nominal values)	Total Expenditure	Net Current Expenditure
2009-10	4,924,393	3,464,539
2010-11	4,718,200	3,277,547
2011-12	4,423,807	3,021,875
2012-13	4,238,563	2,940,218
2013-14	4,103,726	2,830,921
2014-15	3,968,335	2,682,211
2015-16	3,762,605	2,502,389
2016-17	3,585,855	2,345,538
2017-18	3,546,463	2,222,450
2018-19	3,568,979	2,201,188
2019-20	3,592,109	2,228,366
2020-21	3,373,072	2,656,480
2021-22	3,598,542	2,435,761
2022-23	4,005,459	2,644,295

Source: DC Research/Wavehill analysis of DLUHC RO5 and RSX returns 2009-10 to 2022-23 ([Local authority revenue expenditure and financing - GOV.UK \(www.gov.uk\)](http://www.gov.uk) and [GDP deflators at market prices, and money GDP November 2023 \(Autumn Statement\) - GOV.UK \(www.gov.uk\)](http://www.gov.uk), accessed 14th December 2023

Table A2.4: Local Authority Expenditure on Total Cultural and Related Services (Real values) 2009-10 to 2022-23

	£000's	£000's
Total Cultural and Related Services (Real values)	Total Expenditure	Net Current Expenditure
2009-10	6,545,088	4,604,773
2010-11	6,155,030	4,275,656
2011-12	5,671,038	3,873,851
2012-13	5,335,620	3,701,227
2013-14	5,068,456	3,496,432
2014-15	4,842,327	3,272,945
2015-16	4,558,468	3,031,692
2016-17	4,247,738	2,778,481
2017-18	4,136,300	2,592,080
2018-19	4,076,550	2,514,235
2019-20	4,008,334	2,486,572
2020-21	3,569,539	2,811,209
2021-22	3,838,772	2,598,367
2022-23	4,005,459	2,644,295

Source: DC Research/Wavehill analysis of DLUHC RO5 and RSX returns 2009-10 to 2022-23 ([Local authority revenue expenditure and financing - GOV.UK \(www.gov.uk\)](http://www.gov.uk) and [GDP deflators at market prices, and money GDP November 2023 \(Autumn Statement\) - GOV.UK \(www.gov.uk\)](http://www.gov.uk), accessed 14th December 2023

Table A2.5: Local Authority Expenditure on Total Cultural and Related Services (Nominal values) 2009-10 to 2022-23

	£000's	£000's
Total Service Expenditure (Nominal values)	Total Expenditure	Net Current Expenditure
2009-10	134,888,694	103,625,117
2010-11	133,958,061	102,629,540
2011-12	124,327,924	95,435,145
2012-13	120,031,022	91,072,346
2013-14	120,913,808	91,808,865
2014-15	120,988,845	91,198,676
2015-16	121,024,283	90,633,719
2016-17	120,435,898	90,443,503
2017-18	120,732,583	89,802,866
2018-19	122,793,699	91,416,761
2019-20	127,037,211	94,599,982
2020-21	137,750,157	106,283,765
2021-22	142,708,318	107,050,892
2022-23	151,660,492	113,540,350

Source: DC Research/Wavehill analysis of DLUHC RO5 and RSX returns 2009-10 to 2022-23 ([Local authority revenue expenditure and financing - GOV.UK \(www.gov.uk\)](http://www.gov.uk) and [GDP deflators at market prices, and money GDP November 2023 \(Autumn Statement\) - GOV.UK \(www.gov.uk\)](http://www.gov.uk), accessed 14th December 2023

Table A2.6: Local Authority Expenditure on Total Cultural and Related Services (Real values) 2009-10 to 2022-23

	£000's	£000's
Total Service Expenditure (Real values)	Total Expenditure	Net Current Expenditure
2009-10	179,282,668	137,729,760
2010-11	174,752,219	133,883,245
2011-12	159,380,471	122,341,771
2012-13	151,098,355	114,644,376
2013-14	149,338,992	113,391,874
2014-15	147,635,593	111,284,397
2015-16	146,623,234	109,804,484
2016-17	142,666,135	107,137,699
2017-18	140,812,436	104,738,589
2018-19	140,257,112	104,417,825
2019-20	141,757,288	105,561,487
2020-21	145,773,532	112,474,353
2021-22	152,235,197	114,197,363
2022-23	151,660,492	113,540,350

Source: DC Research/Wavehill analysis of DLUHC RO5 and RSX returns 2009-10 to 2022-23 ([Local authority revenue expenditure and financing - GOV.UK \(www.gov.uk\)](http://www.gov.uk) and [GDP deflators at market prices, and money GDP November 2023 \(Autumn Statement\) - GOV.UK \(www.gov.uk\)](http://www.gov.uk), accessed 14th December 2023

Table A2.7: Local Authority Expenditure on Museums and Galleries – Per Capita (Nominal values) 2009-10 to 2022-23

Museums and Galleries (Nominal values)	Total Expenditure (£)	Net Current Expenditure (£)
2009-10	5.49	4.21
2010-11	5.42	4.13
2011-12	4.81	3.66
2012-13	4.56	3.46
2013-14	4.72	3.61
2014-15	4.43	3.38
2015-16	4.04	3.03
2016-17	4.12	3.14
2017-18	4.37	3.27
2018-19	4.21	3.04
2019-20	4.35	3.23
2020-21	3.90	3.33
2021-22	4.30	3.42
2022-23	4.22	3.21

Source: DC Research/Wavehill analysis of DLUHC RO5 and RSX returns 2009-10 to 2022-23 ([Local authority revenue expenditure and financing - GOV.UK \(www.gov.uk\)](http://www.gov.uk), [Estimates of the population for England and Wales - Office for National Statistics \(ons.gov.uk\)](https://ons.gov.uk), and [GDP deflators at market prices, and money GDP November 2023 \(Autumn Statement\) - GOV.UK \(www.gov.uk\)](http://www.gov.uk), accessed 14th – 19th December 2023

Table A2.8: Local Authority Expenditure on Museums and Galleries – per Capita (Real values) 2009-10 to 2022-23

Museums and Galleries (Real values)	Total Expenditure (£)	Net Current Expenditure (£)
2009-10	7.29	5.60
2010-11	7.07	5.38
2011-12	6.16	4.69
2012-13	5.74	4.35
2013-14	5.83	4.46
2014-15	5.40	4.13
2015-16	4.89	3.67
2016-17	4.88	3.72
2017-18	5.10	3.81
2018-19	4.81	3.47
2019-20	4.86	3.60
2020-21	4.13	3.53
2021-22	4.59	3.65
2022-23	4.22	3.21

Source: DC Research/Wavehill analysis of DLUHC RO5 and RSX returns 2009-10 to 2022-23 ([Local authority revenue expenditure and financing - GOV.UK \(www.gov.uk\)](http://www.gov.uk), [Estimates of the population for England and Wales - Office for National Statistics \(ons.gov.uk\)](https://ons.gov.uk), and [GDP deflators at market prices, and money GDP November 2023 \(Autumn Statement\) - GOV.UK \(www.gov.uk\)](http://www.gov.uk), accessed 14th – 19th December 2023

Table A2.9: Local Authority Expenditure on Total Cultural and Related Services – Per Capita (Nominal values) 2009-10 to 2022-23

Total Cultural and Related Services (Nominal values)	Total Expenditure (£)	Net Current Expenditure (£)
2009-10	94.34	66.38
2010-11	89.63	62.26
2011-12	83.30	56.90
2012-13	79.22	54.95
2013-14	76.11	52.50
2014-15	72.99	49.33
2015-16	68.65	45.66
2016-17	64.86	42.42
2017-18	63.76	39.96
2018-19	63.82	39.36
2019-20	63.88	39.63
2020-21	59.88	47.16
2021-22	63.63	43.07
2022-23	70.14	46.30

Source: DC Research/Wavehill analysis of DLUHC RO5 and RSX returns 2009-10 to 2022-23 ([Local authority revenue expenditure and financing - GOV.UK \(www.gov.uk\)](http://www.gov.uk), [Estimates of the population for England and Wales - Office for National Statistics \(ons.gov.uk\)](https://ons.gov.uk), and [GDP deflators at market prices, and money GDP November 2023 \(Autumn Statement\) - GOV.UK \(www.gov.uk\)](http://www.gov.uk), accessed 14th – 19th December 2023

Table A2.10: Local Authority Expenditure on Total Cultural and Related Services – Per Capita (Real values) 2009-10 to 2022-23

Total Cultural and Related Services (Real values)	Total Expenditure (£)	Net Current Expenditure (£)
2009-10	125.39	88.22
2010-11	116.92	81.22
2011-12	106.78	72.94
2012-13	99.72	69.17
2013-14	94.00	64.85
2014-15	89.06	60.20
2015-16	83.17	55.31
2016-17	76.83	50.25
2017-18	74.37	46.60
2018-19	72.89	44.96
2019-20	71.28	44.22
2020-21	63.37	49.91
2021-22	67.88	45.94
2022-23	70.14	46.30

Source: DC Research/Wavehill analysis of DLUHC RO5 and RSX returns 2009-10 to 2022-23 ([Local authority revenue expenditure and financing - GOV.UK \(www.gov.uk\)](http://www.gov.uk), [Estimates of the population for England and Wales - Office for National Statistics \(ons.gov.uk\)](https://ons.gov.uk), and [GDP deflators at market prices, and money GDP November 2023 \(Autumn Statement\) - GOV.UK \(www.gov.uk\)](http://www.gov.uk), accessed 14th – 19th December 2023

Table A2.11: Local Authority Expenditure on Total Cultural and Related Services – Per Capita (Nominal values) 2009-10 to 2022-23

Total Service Expenditure (Nominal values)	Total Expenditure (£)	Net Current Expenditure (£)
2009-10	2,584.25	1,985.29
2010-11	2,544.68	1,949.56
2011-12	2,341.08	1,797.03
2012-13	2,243.28	1,702.07
2013-14	2,242.52	1,702.73
2014-15	2,225.27	1,677.36
2015-16	2,208.12	1,653.64
2016-17	2,178.30	1,635.83
2017-18	2,170.69	1,614.59
2018-19	2,195.70	1,634.65
2019-20	2,259.24	1,682.37
2020-21	2,445.59	1,886.94
2021-22	2,523.36	1,892.87
2022-23	2,655.75	1,988.22

Source: DC Research/Wavehill analysis of DLUHC RO5 and RSX returns 2009-10 to 2022-23 ([Local authority revenue expenditure and financing - GOV.UK \(www.gov.uk\)](http://www.gov.uk), [Estimates of the population for England and Wales - Office for National Statistics \(ons.gov.uk\)](https://ons.gov.uk), and [GDP deflators at market prices, and money GDP November 2023 \(Autumn Statement\) - GOV.UK \(www.gov.uk\)](http://www.gov.uk), accessed 14th – 19th December 2023

Table A2.12: Local Authority Expenditure on Total Cultural and Related Services – Per Capita (Real values) 2009-10 to 2022-23

Total Service Expenditure (Real values)	Total Expenditure (£)	Net Current Expenditure (£)
2009-10	3,434.77	2,638.68
2010-11	3,319.61	2,543.26
2011-12	3,001.11	2,303.68
2012-13	2,823.91	2,142.61
2013-14	2,769.71	2,103.02
2014-15	2,715.37	2,046.79
2015-16	2,675.18	2,003.41
2016-17	2,580.37	1,937.77
2017-18	2,531.71	1,883.13
2018-19	2,507.97	1,867.12
2019-20	2,521.02	1,877.31
2020-21	2,588.03	1,996.85
2021-22	2,691.81	2,019.23
2022-23	2,655.75	1,988.22

Source: DC Research/Wavehill analysis of DLUHC RO5 and RSX returns 2009-10 to 2022-23 ([Local authority revenue expenditure and financing - GOV.UK \(www.gov.uk\)](http://www.gov.uk), [Estimates of the population for England and Wales - Office for National Statistics \(ons.gov.uk\)](https://ons.gov.uk), and [GDP deflators at market prices, and money GDP November 2023 \(Autumn Statement\) - GOV.UK \(www.gov.uk\)](http://www.gov.uk), accessed 14th – 19th December 2023

Table A2.13: Museums and Galleries Expenditure as a Proportion of Total Service Expenditure for Local Authorities from 2009-10 to 2022-23

	Total Expenditure	Net Current Expenditure
2009-10	0.21%	0.21%
2010-11	0.21%	0.21%
2011-12	0.21%	0.20%
2012-13	0.20%	0.20%
2013-14	0.21%	0.21%
2014-15	0.20%	0.20%
2015-16	0.18%	0.18%
2016-17	0.19%	0.19%
2017-18	0.20%	0.20%
2018-19	0.19%	0.19%
2019-20	0.19%	0.19%
2020-21	0.16%	0.18%
2021-22	0.17%	0.18%
2022-23	0.16%	0.16%

Source: DC Research/Wavehill analysis of DLUHC RO5 and RSX returns 2009-10 to 2022-23 ([Local authority revenue expenditure and financing - GOV.UK \(www.gov.uk\)](https://www.gov.uk), accessed 14th December 2023)

Table A2.14: Museums and Galleries Net Current Expenditure (per capita) 2022-23 – Local Authorities (in categories)

Spend per capita	Count of Local Authorities	Percent of Total
Data issues (no value or negative value)	28	9.1%
£0 spend reported	96	31.1%
less than £1	40	12.9%
£1 to £1.99	24	7.8%
£2 to £2.99	33	10.7%
£3 to £3.99	21	6.8%
£4 to £4.99	18	5.8%
£5 to £5.99	10	3.2%
£6 to £6.99	11	3.6%
£7 to £7.99	4	1.3%
£8 to £8.99	6	1.9%
£9 to £9.99	6	1.9%
£10 to £10.99	2	0.6%
£11 to 11.99	3	1.0%
£12 to 12.99	1	0.3%
£13 to £13.99	0	0.0%
£14 to £14.99	1	0.3%
£15 to £15.99	1	0.3%
£16 to £16.99	2	0.6%
£17 to £17.99	0	0.0%
£18 to £18.99	1	0.3%
£19 to £19.99	0	0.0%
£20 plus	1	0.3%
Total	309	100.0%

Source: DC Research/Wavehill analysis of DLUHC RO5 and RSX returns 2009-10 to 2022-23 ([Local authority revenue expenditure and financing - GOV.UK \(www.gov.uk\)](http://www.gov.uk), [Estimates of the population for England and Wales - Office for National Statistics \(ons.gov.uk\)](http://ons.gov.uk), and [GDP deflators at market prices, and money GDP November 2023 \(Autumn Statement\) - GOV.UK \(www.gov.uk\)](http://www.gov.uk), accessed 14th – 19th December 2023. Note: data reported for the 309 local authorities that are classified as Unitary Authorities, Shire Districts, Metropolitan Districts, and London Boroughs. A number of authorities did not respond, or provided negative values, and these have been grouped together in one category above.

Table A2.15: Museums and Galleries Net Current Expenditure as a Proportion of Net Current Expenditure – Local Authorities (in categories)

Spend per capita	Count of Local Authorities	Percent of Total
Data Issues (no value or negative value)	27	8.7%
0 spend reported	96	31.1%
less than 0.1%	37	12.0%
>/= 0.1%; <0.2%	26	8.4%
>/= 0.2%; <0.3%	22	7.1%
>/= 0.3%; <0.4%	10	3.2%
>/= 0.4%; <0.5%	6	1.9%
>/= 0.5%; <0.6%	8	2.6%
>/= 0.6%; <0.7%	6	1.9%
>/= 0.7%; <0.8%	2	0.6%
>/= 0.8%; <0.9%	1	0.3%
>/= 0.9%; <1.0%	3	1.0%
>/= 1.0%; <1.5%	13	4.2%
>/= 1.5%; <2.0%	14	4.5%
>/= 2%; <3%	13	4.2%
>/= 3%; <4%	10	3.2%
>/= 4%; <5%	8	2.6%
>/= 5%; <10%	6	1.9%
more than 10%	1	0.3%
Total	309	100.0%

Source: DC Research/Wavehill analysis of DLUHC RO5 and RSX returns 2022-23 ([Local authority revenue expenditure and financing - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/statistics/local-authority-revenue-expenditure-and-financing), accessed 14th December 2023. Note: data reported for the 309 local authorities that are classified as Unitary Authorities, Shire Districts, Metropolitan Districts, and London Boroughs. A number of authorities did not respond, or provided negative values, and these have been grouped together in one category above.

Table A2.16: Museums and Galleries Net Current Expenditure (per capita) 2022-23 by Local Authorities – for Regions

Region	Net Current Expenditure (per capita)
East	£3.34
East Midlands	£2.71
London	£2.61
North East	£3.47
North West	£3.43
South East	£2.36
South West	£3.81
West Midlands	£1.68
Yorkshire and The Humber	£5.46
National Average	£3.11

Source: DC Research/Wavehill analysis of DLUHC RO5 and RSX returns 2009-10 to 2022-23 ([Local authority revenue expenditure and financing - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/statistics/local-authority-revenue-expenditure-and-financing), [Estimates of the population for England and Wales - Office for National Statistics \(ons.gov.uk\)](https://ons.gov.uk/people-population/population-statistics/population-estimates), and [GDP deflators at market prices, and money GDP November 2023 \(Autumn Statement\) - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/statistics/gdp-deflators-at-market-prices-and-money-gdp-november-2023), accessed 14th – 19th December 2023. Note: the total spend captured and reported in this table is £177,571,000. The national England figure of £183,053,000 reported elsewhere, as stated in the published DLUHC RO5 return "is based on complete returns from 403 of the 426 local authorities in England. England totals have been estimated by also drawing on grant allocation data, where known, or the proportions within the previous year's data for which the missing 23 authorities accounted." As such, the spend per capita figures here cannot be directly compared to the overall figure reported in earlier tables (e.g., 2.7).

Table A2.17: Museums and Galleries Net Current Expenditure (per capita) 2022-23 by Local Authorities – for ACE Areas

Area	Net Current Expenditure (per capita)
London	£2.61
Midlands	£2.15
North	£4.15
South East	£2.76
South West	£3.81
National Average	£3.11

Source: DC Research/Wavehill analysis of DLUHC RO5 and RSX returns 2009-10 to 2022-23 ([Local authority revenue expenditure and financing - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/statistics/local-authority-revenue-expenditure-and-financing), [Estimates of the population for England and Wales - Office for National Statistics \(ons.gov.uk\)](https://ons.gov.uk/people-population/population-statistics/population-estimates), and [GDP deflators at market prices, and money GDP November 2023 \(Autumn Statement\) - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/statistics/gdp-deflators-at-market-prices-and-money-gdp-november-2023), accessed 14th – 19th December 2023. Note: the total spend captured and reported in this table is £177,571,000. The national England figure of £183,053,000 reported elsewhere, as stated in the published DLUHC RO5 return "is based on complete returns from 403 of the 426 local authorities in England. England totals have been estimated by also drawing on grant allocation data, where known, or the proportions within the previous year's data for which the missing 23 authorities accounted." As such, the spend per capita figures here cannot be directly compared to the overall figure reported in earlier tables (e.g., 2.7).

Table A2.18: Museums and Galleries Net Current Expenditure (per capita) 2022-23 by Local Authorities – for Priority Places

	Net Current Expenditure (per capita) - Priority Places
Priority Places	£2.64
Not Priority Places	£2.65
Overall Average	£2.65

Source: DC Research/Wavehill analysis of DLUHC RO5 and RSX returns 2009-10 to 2022-23 ([Local authority revenue expenditure and financing - GOV.UK \(www.gov.uk\)](http://www.gov.uk), [Estimates of the population for England and Wales - Office for National Statistics \(ons.gov.uk\)](https://ons.gov.uk), and [GDP deflators at market prices, and money GDP November 2023 \(Autumn Statement\) - GOV.UK \(www.gov.uk\)](http://www.gov.uk), accessed 14th – 19th December 2023. Note: the total spend captured and reported in this table is £151,477,000 as it only captures the spend by Unitary Authorities, Shire Districts, Metropolitan Districts, and London Boroughs. The other spend is at upper tier authority levels and beyond and therefore cannot be allocated to specific lower-level local authorities. As such, the spend per capita figures here cannot be directly compared to the overall figure reported in earlier tables (e.g., 2.7). Source for list of Priority Places and Levelling Up for Culture Places: [Priority Places and Levelling Up for Culture Places | Arts Council England](#), accessed December 2023

Table A2.19: Museums and Galleries Net Current Expenditure (per capita) 2022-23 by Local Authorities – for Levelling Up for Culture Places

	Net Current Expenditure (per capita) - Levelling Up for Culture Places
Levelling Up for Culture	£2.52
Not Levelling Up for Culture	£2.71
Average	£2.65

Source: DC Research/Wavehill analysis of DLUHC RO5 and RSX returns 2009-10 to 2022-23 ([Local authority revenue expenditure and financing - GOV.UK \(www.gov.uk\)](http://www.gov.uk), [Estimates of the population for England and Wales - Office for National Statistics \(ons.gov.uk\)](https://ons.gov.uk), and [GDP deflators at market prices, and money GDP November 2023 \(Autumn Statement\) - GOV.UK \(www.gov.uk\)](http://www.gov.uk), accessed 14th – 19th December 2023. Note: the total spend captured and reported in this table is £151,477,000 as it only captures the spend by Unitary Authorities, Shire Districts, Metropolitan Districts, and London Boroughs. The other spend is at upper tier authority levels and beyond and therefore cannot be allocated to specific lower-level local authorities. As such, the spend per capita figures here cannot be directly compared to the overall figure reported in earlier tables (e.g., 2.7). Source for list of Priority Places and Levelling Up for Culture Places: [Priority Places and Levelling Up for Culture Places | Arts Council England](#), accessed December 2023

Table A2.20: National Lottery Heritage Fund Awards 2015-16 to 2022-23 (for relevant Heritage Areas & where recipient organisation includes 'museum') (£millions)

	2015 -16 (£)	2016 -17 (£)	2017 -18 (£)	2018 -19 (£)	2019 -20 (£)	2020 -21 (£)	2021 -22 (£)	2022 -23 (£)
Heritage Fund - relevant Heritage Areas (£millions)	133.36	79.79	35.51	34.48	23.53	6.73	19.35	13.09
Heritage Fund - where 'museum' is in recipient name (£millions)	3.87	6.85	22.99	2.83	14.70	3.99	4.13	1.98
Total (£millions)	137.23	86.64	58.50	37.31	38.23	10.72	23.48	15.07

Source: DC Research/Wavehill analysis of

<https://www.heritagefund.org.uk/about/insight/open-data> and

https://www.heritagefund.org.uk/sites/default/files/nlhf_360data_01042013-04102023_.csv

Table A2.21: Arts Council England Investment in Museums 2015-16 to 2022-23 (using museum as discipline for relevant sources; including those where 'museum' is in recipient name and including Acceptance in Lieu and Cultural Gifts Scheme)

	2015 -16 (£)	2016 -17 (£)	2017 -18 (£)	2018 -19 (£)	2019 -20 (£)	2020 -21 (£)	2021 -22 (£)	2022 -23 (£)
ACE investment in museums - where museums is discipline (£millions)	£26.67	£26.72	£26.58	£37.98	£38.05	£38.12	£40.30	£39.79
ACE investment in museums - where 'museum' is in recipient name (£millions)	£1.65	£1.78	£1.61	£1.29	£1.41	£1.09	£1.74	£1.34
Acceptance in Lieu & Cultural Gifts Scheme (£millions)	£26.60	£25.03	£17.40	£33.63	£40.00	£30.68	£27.50	£34.18
Total (£millions)	£54.92	£53.53	£45.59	£72.90	£79.46	£69.88	£69.54	£75.31

Source: DC Research/Wavehill analysis of various Arts Council England data and published reports, December 2023