Strategic review of DCMS-sponsored museums

November 2017
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I am pleased to present this Strategic Review of DCMS-sponsored museums, which provides a tailored insight into those museums that DCMS directly funds. It celebrates where these museums are doing an excellent job and, as is the job of such a review, identifies areas where these world class institutions could have more impact. It is important to note that this is the largest clustered review and I commend my Department, and the lead reviewer, Neil Mendoza, for developing a concise, pragmatic, yet detailed and forward-looking report.

Let me start by saying how remarkable these organisations are. DCMS directly funds fifteen museums and the British Library. Since my appointment as Minister for Arts, Heritage and Tourism in June, I have had the opportunity to develop my understanding of their remit and marvel more deeply at the treasures they protect. Three of our national museums are in the top ten most visited museums in the world and seven of the ten most visited attractions in the UK. The immensely important work that these museums do, and do so well, is something we can be extremely proud of.

The review highlights, and I have certainly experienced, vibrant institutions contributing to numerous cross government priorities. Sometimes we do not advocate enough for this across government. I would like to acknowledge, as a result of both this review and The Mendoza Review: an independent review of museums in England, government’s commitment to working with the sector in order that we can more effectively demonstrate the impact of museums on issues ranging from placemaking and participation to community integration, education, health, wellbeing, trade and soft power.

Of course, there is always room to do more. Whilst it necessary for national museums to respond to innovations in technology and work more closely together to have even more impact, all of these recommendations have been tailored to further improve a group of ALBs doing remarkable work around the country, improving lives and frequently going above and beyond both the government’s and the public’s expectations of them.

As announced in the Mendoza Review, we will be asking our nationals to contribute to a Partnership Framework. This aims to ensure that the expertise from these museums are shared across England and that access to national collections, left to the nation in perpetuity, is utilised across the country. We have excellent examples of this already, Plus Tate and Dippy on Tour, to name just two. I want to see this learning shared further and a more strategic and joined-up approach to nationwide access so that there are no cultural cold spots.
We are not changing the status of our museums from non-departmental public bodies. Their political independence is vital but, given the funding they receive from government, we must maintain oversight of this to ensure best use of public funding. As a result of the review we will be launching a Shared Solutions project. This will look at how challenges across the portfolio could be best addressed through shared initiatives.

Finally, I would like to thank the chairs, directors, staff, volunteers and boards at all DCMS-sponsored museums, and all the other participants, including the challenge panel, for their contribution to this review. We look forward to working with you to implement these recommendations.

John Glen MP
Parliamentary Under-Secretary for Arts, Heritage and Tourism
Executive Summary

1. This Strategic Review of DCMS-sponsored museums examines the 16 arm's length bodies (15 museums and the British Library) sponsored by DCMS, their functions, forms, effectiveness, efficiency and accountability. Of particular importance is establishing the extent of the leadership and coordination activity the national museums provide nationally and internationally and ideas for where improvements may be desirable.

2. This review should be read together with the wider Mendoza Review for a full picture of the role, importance and potential of the sponsored museums in relation to the wider sector, especially after the UK’s exit from the European Union, and to understand how the recommendations from this review feed into and support the action plan.

General findings

3. The national museums and the British Library have well-deserved world-renowned reputations and have a considerable impact on many people’s lives, both in the UK and beyond. In 2016/17 there were over 47 million visits to the museums, including over 22 million from overseas and 7 million to museums outside London. The museums preserve, protect, promote and display for people’s enjoyment and research nearly 100 million objects and the British Library over 150 million, and growing each year. Well over 90% of visitors would recommend a visit and over 93% considered functions were being delivered well. These are incredible achievements.

4. The review has found the footprint and impact of the museums is extensive, in terms of physical imprint and national partnerships, collaborations and exchanges. That reach needs to be better described and appreciated. To develop and deepen this reach and impact even further, the national museums, should work more closely together to coordinate better their initiatives, ensuring these are complementary, reinforce one another and that the extent of this activity is maximised and given greater visibility.

5. DCMS-sponsored museums have adapted well to changes in public funding, finding innovative solutions to challenges, in particular financial, whilst simultaneously cementing their status, and demonstrating the excellence and rigour for which they are so highly regarded worldwide.

Facilitating and future-proofing forms and functions (Chapter 2)

6. The 16 ALBs are vibrant, successful and a preeminent part of the country's cultural infrastructure. They are a source of national pride. It is both right and necessary that the arrangements covering their governance and funding continue. Amidst a backdrop of reduced public funding, their ambition and reputations, both domestically and internationally, have continued to grow and should be applauded. Freedoms extended to the sponsored museums have been enthusiastically adopted, and granting further flexibilities to specific ALBs may be beneficial.
Ensuring Effectiveness (Chapter 3)

7. National museums include three of the most visited museums in the world and seven of the most visited attractions in England. Over half of all national museum sites are outside London and half of the national museums have a presence outside of London, including one museum wholly outside London and two primarily outside London. Collectively the sponsored museums made loans to over 4000 venues last year (1,356 in the UK and 2,663 overseas). Combined with the vast range of other partnerships, this means that the museums have an extensive reach in the UK and internationally.

8. Evidence pointed to some of this activity needing to be better joined up. A new museums Partnership Framework will be initiated with the aim of streamlining and simplifying regional programmes and loans, formalising skills and knowledge exchanges, and disseminating best practice in a more consistent and sustained manner. The framework will cover cultural collaboration with museums across England, in the devolved administrations, the service museums and internationally.

9. Whilst progress is being made, the ALBs should continue reviewing the makeup of their boards and workforces, to achieve greater diversity and transparency, and to address skills shortages where necessary. Four chairs of the ALBs are currently women and four directors too, whilst only one chair and no directors are from a black, Asian or minority ethnic (BAME) background. In the case of smaller organisations, it may be helpful to consider sharing of functions and personnel.

10. The DCMS-sponsored museums have considerably developed their income generation and commercial operations – this now accounts for, on average, 16% of income. There may be further opportunities through potentially sharing services, such as procurement and digital innovations.

Enabling Efficiencies (Chapter 4)

11. We considered the range of revenue streams, that sponsored museums draw on and the overall funding environment within which they operate. Combined, the 16 ALBs received £981.6m in income and endowments, of which £435 million was grant-in-aid, and spent £837 million last year. The single largest element of expenditure in most museums was collections management – collectively they spent nearly £260 million or 31% of total spend. The 16 ALBs are already making annual savings of £10 million, and are encouraged to increase this to £30 million.

12. The sponsored museums will be encouraged to maintain and maximise efficiencies and examine both their reserves policies and income-generation strategies. In order to prepare for the next spending review, the sponsored museums and DCMS will reflect on whether improvements are necessary and could be made in how they articulate the quantifiable and non-quantifiable benefits the museums deliver and how funding is apportioned. Separately, DCMS will, in partnership with sponsored museums that wish to participate, launch a new Shared Solutions project. This will comprise a package of measures empowering sponsored museums to rationalise their collections, storage, and estates and boost their digital profiles and commercial operations.

DCMS relationship (Chapter 5)

13. DCMS will review its relationship with each of its 15 sponsored museums and the British Library, including the management agreements and performance indicators. Each ALB will ensure it reviews its governance arrangements.
Recommendations

Chapter 2: Facilitating functions and future-proofing forms

1. The unique functions performed by the DCMS-sponsored museums and British Library are necessary and cannot be dispensed with for our cultural heritage, the immense enjoyment and education they bring the public and researchers, and for their world leading reputations.

2. The DCMS-sponsored museums and the British Library should continue to be NDPBs and be sponsored by DCMS.

3. DCMS will consider how best, e.g. an internal audit, to review the impact and effectiveness of the ‘Museums Freedoms’ three years after they become permanent.

4. Subject to Parliamentary time, DCMS and the British Library will explore scope for legislation that enables the British Library to borrow money.

5. If a sponsored museum is interested and can demonstrate that it may reach the criteria of 50% of commercial income, DCMS will work with them to consider the potential of the museum becoming a public corporation.

6. DCMS and MoD-sponsor teams should share best practice and communicate regularly and effectively on the museums they are responsible for.

Chapter 3: Ensuring effectiveness

1. Partnership Framework: Sponsored museums will build on existing work to develop and publicise a consistent loans and touring process to enable more effective, strategic and frequent loans from national museums to regional, local, independent and other national museums in the UK and, as appropriate, internationally.

2. Partnership Framework: The review recognises the important historic sharing of collections, skills and expertise amongst the DCMS- and MoD-sponsored museums and the national museums of Scotland, Wales and Northern Ireland. The review supports, and encourages, the deepening of these continued collaborations and their contribution to learning and wider visitor experience in the respective museums.

3. Partnership Framework: Sponsored museums will ensure their international activity and support for inbound tourism is captured in, and contributes, to the current government and DCMS priorities set out in the management agreements e.g. the GREAT campaign. DCMS will pilot a seminar to promote museums work across government and bolster its effort on international museums policy to support this.

4. Sponsored museums should develop and review their workforce strategies to enable more diverse workforces as a key way of reaching and welcoming diverse audiences. This should include how to attract, recruit and retain diverse applicants to work for the museums and to be board and committee members.

5. Sponsored museums should put in place measures to comply with the Cabinet Office’s Governance Code on Public Appointments including, where appropriate, running open campaigns for trustees, within twelve months of this review. In future recruitment for board and committee positions, all DCMS-sponsored
museums, with the support of DCMS, should aim to improve the expertise of their board and committee members, and ensure these are relevant to the needs of the particular museum going forward.

6. The DCMS-sponsored and MoD-sponsored service museums should share ideas and best practice on how to optimise their commercial strategies, to provide both the best possible visitor experience and return on the use of their assets. The DCMS Commercial Team, Cabinet Office Commercial Models Team and Complex Transactions Team, and UK Trade and Investment, can, where appropriate, be consulted for advice and input.

7. Border Force and National Museums Liverpool will work together to develop long term and sustainable options for Seized! post 2020. An options paper, with full costings and implementation plan will be submitted to the Home Secretary, copied to the Secretary of State for Digital, Culture, Media and Sport and the Chief Secretary to the Treasury, by January 2019 to inform funding from 2020/21 onwards.

Chapter 4: Enabling efficiencies

1. To get into a better position and prepare for the next spending review, the sponsored museums and DCMS should work together to better understand the outcomes, effectiveness and economic value of each ALB. To achieve this together, the sponsored museums and DCMS will undertake, or commission, an assessment of the specific requirements of each museum, what they deliver in return for funding and the extent to which they are achieving this.

2. In preparing for the next spending review, DCMS will review grant-in-aid in its sponsored museums and consider whether changes are required to better meet needs and recognise performance. This may include options on funding attached to performance, efficiencies and/or quality measures.

3. The National Audit Office will consider updating its 2004 report on income generation in museums, including compiling statistics, benchmarking income generation and making recommendations on how the DCMS- and MoD-sponsored museums could increase revenue from commercial operations.

4. Sponsored museums should review their reserves and endowments and related policies to ensure they are appropriate for the respective organisations and are transparent. Within 12 months of this review, all sponsored museums should have updated DCMS on their plans for using un-restricted reserves and endowments.

5. Partnership Framework: DCMS will develop a digital strand to the Partnership Framework. This will work in tandem with policy recommendations from the Digital Culture Project, with the aim of:
   • encouraging better integration of digital technology into business models and everyday working practices; and
   • facilitating access to the appropriate level of digital expertise in executive teams, boards and committees, including on the use of intellectual property.

6. DCMS, in consultation with Her Majesty’s Treasury and the sponsored museums, will consider how best to provide and/or lever further capital funding for national museums to undertake critical maintenance and repairs in order to protect and preserve historic architecture and their estates, and to enable the museums to become as efficient and effective as possible.

7. Shared Solutions project: By April 2018, DCMS and agreed sponsored museums will begin a project to identify and deliver further innovation and efficiencies. This will ensure recommendations complement the Public Bodies Relocation Programme and Industrial Strategy and is expected to include:
   A. collections management (including ethical disposals and transfers), shared storage solutions (including digitisation) and asset management
   B. business models (including better engagement with digital technology and shared commercial operations and procurement processes)
C. back office functions and collaboration (including the potential for shared roles and processes across smaller ALBs to improve resilience); and
D. funding options, including joint and/or co-financing to spearhead initiatives.

8. As per their agreements for funding during this spending review period, DCMS-sponsored museums should continue to submit efficiency returns, demonstrating how they intend to make year-on-year savings of 1% and invest these savings in frontline services. DCMS-sponsored museums should aim towards 3% savings per annum by the end of the spending review period and continue to invest these in frontline services.

Chapter 5: Refreshing and revitalising the relationship between DCMS and ALBs

1. The DCMS sponsor team and each museum will review their relationships, drawing on the Cabinet Office’s Code of Good Practice.

2. DCMS will work with its sponsored museums to revise management agreements and performance indicators from 2018/19 in line with agreed priorities and in support of the new Partnership Framework.

3. Sponsored museums will complete a corporate governance self-assessment by June 2018 and take forward any identified actions by December 2018.

4. Sponsored museums should put in place measures to be compliant with cyber security requirements e.g. cyber essentials accreditation.

5. Sponsored museums should develop, or if already in place, review their fraud strategy, risk assessment and fraud response plan by June 2018, to ensure plans are robust, yet proportionate. The Cabinet Office can support those ALBs seeking to strengthen their fraud prevention measures. The Shared Solutions project may consider how to strengthen this for our smaller ALBs.
Chapter One: Introduction and overview

Aim and scope of this strategic review

1. This strategic review was first announced in March 2016 in the Culture White Paper. It was aligned to The Mendoza Review: an independent review of museums in England,1 in which the national museums play a key part. Lead Reviewer Neil Mendoza acted as lead DCMS non-executive director; for this strategic review too. This review has undergone significant change. When first envisaged, the European Union exit referendum had not taken place, the Digital Culture2 Project had not been announced, and neither the Building our Industrial Strategy: green paper3 nor Independent Review of Creative Industries4 published. The 2017 Conservative Manifesto5 did not mention the museums review specifically but committed: ‘We will continue our strong support for the arts, and ensure that more of that support is based outside London. We will maintain free entry to the permanent collections of our major national museums and galleries’ and ‘We will work with the nation’s most eminent museums and galleries to ensure their works and expertise are shared across the country’. Our world-famous national museums and galleries are clearly seen to have a key role to play in promoting culture, heritage and the arts, and there is to be an increased focus on this activity spreading across the country.

2. The 16 cultural institutions covered in this review, the 13 national museums, two non-national museums and the British Library, are all sponsored by DCMS:

<table>
<thead>
<tr>
<th>British Museum</th>
<th>National Portrait Gallery</th>
<th>Science Museum Group</th>
<th>Wallace Collection</th>
</tr>
</thead>
<tbody>
<tr>
<td>Imperial War Museums</td>
<td>Natural History Museum</td>
<td>Sir John Soane’s Museum</td>
<td>British Library</td>
</tr>
<tr>
<td>National Gallery</td>
<td>Royal Armouries</td>
<td>Tate Group</td>
<td>Geffrye Museum (non-national)</td>
</tr>
<tr>
<td>National Museums Liverpool</td>
<td>Royal Museums Greenwich (National Maritime Museum)</td>
<td>V&amp;A</td>
<td>Horniman Museum and Gardens (non-national)</td>
</tr>
</tbody>
</table>

3. We have used the opportunity presented by the Mendoza Review to consider these institutions as a group, using the structure provided by the Cabinet Office’s Guidance on Reviews of Non-Departmental Public Bodies.7 Strategic or clustered reviews are central to continuous improvement. We have

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2 http://dcmsblog.uk/2017/04/cultureisdigital/
5 https://www.conservatives.com/manifesto
6 National Museums Liverpool is funded by the Home Office to operate Seized! on behalf of the Border Force under a 20 year trust agreement, but this museum is not part of the formal NML group sponsored by DCMS. The Science Museum Group receives funding for, and funds, the National Coal Mining Museum for England. Royal Museums Greenwich receives funding for, and funds, National Historic Ships UK.
considered the continuing need for the 16 arm’s length bodies (ALBs) and their functions, form, performance, and relationship to DCMS. There has, to our knowledge, been no high level review of this nature carried out across all 16 previously, or a clustered review covering so many different bodies. Individually, museums have previously been explicitly exempted from public body reviews.

4. The main aims of this review are to:
   • explain why government (DCMS) directly sponsors these ALBs and whether it should continue to (Chapter 2)
   • identify how, and to what extent, the ALBs as a group deliver their objectives and support government priorities for museums and more widely (Chapter 3)
   • explore and scope further activity to be undertaken in partnership with the ALBs to maximise efficiencies (Chapter 4); and
   • assess the effectiveness of DCMS’s relationship with them (Chapter 5).

5. The scope is limited to these 16 ALBs based in England, although the UK-wide and international reputation, remit and impact is considered. The Ministry of Defence (MoD) carried out a tailored review of the three service museums, published in February 2017. Many of the recommendations in this review reflect those of the MoD review, and the departments should work together to share best practice (Recommendation 2.6). The service museums and national museums in the devolved administrations may wish to consider, and take forward, relevant proposals presented in this review, and are encouraged to do so.

Process

6. The overall process, including evidence gathering, is described in the Mendoza Review. A Programme Board covering both reviews and consisting of representatives from other DCMS teams and other government departments considered the content and process of this review within the context of the overall museums review. This strategic review was led from within the museums review team, drawn from existing DCMS resource. Neil Mendoza and a member of the review team met with the directors of all 16 DCMS ALBs and the three MoD service museums. Additionally the team met with executives of the sponsored museums, the National Museum Directors’ Council and ran two workshops for all 16 ALBs, to discuss the recommendations and draft report. The proposals were tested with these groups as well as members of a challenge panel.

7. This is the broadest clustered review ever completed. A clustered review follows the structure and process of a tailored review, but simultaneously reviews a number of bodies. Given the large number, the breadth of what the ALBs do, and their individual cultures and identities, the review has not gone into depth but utilised the flexibilities of the tailored review format. It has needed to make generalisations, some of which may not apply to all organisations, and has not gone into every issue in equal depth.

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9 The Ministry of Defence review of the service museums is the only other published clustered tailored review to date.
Definitions

8. We have used the following terms to define the 16 bodies considered.

<table>
<thead>
<tr>
<th>Definition</th>
<th>Description</th>
</tr>
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<tbody>
<tr>
<td>National museum</td>
<td>13 national museums sponsored by DCMS set in legislation.</td>
</tr>
<tr>
<td>Sponsored or DCMS-sponsored museums or ALBs</td>
<td>All 16 DCMS arm’s length bodies including the Geffrye, Horniman and the British Library, unless specifically stated otherwise.</td>
</tr>
<tr>
<td>Government-sponsored museum</td>
<td>Museums and collections sponsored by DCMS, the MoD and Home Office.</td>
</tr>
</tbody>
</table>

Further information is available in the glossary.
Chapter Two: Facilitating functions and future-proofing forms

9. This chapter explains why government directly funds these 16 cultural institutions. It considers whether all the functions fulfilled by the museums are necessary and, if they are, whether they need to be delivered by non-departmental public bodies (NDPBs).

The national collection

10. These museums are home to some of the most preeminent, important and best loved artefacts and treasures of the nation and the world. Since the British Museum was established in 1753 as the first ‘national museum’, collections have been bequeathed, given to or taken over by the government of the day and available to the public to view and marvel at. These objects, artefacts and art works are of such cultural and historical importance that they belong to the nation as a ‘national collection’ in perpetuity. At the last count the sponsored museums had nearly 99 million objects, including over 80 million at the Natural History Museum, and the British Library’s collection has over 150 million (Appendix B). These institutions are world class, with international reputations that bring enjoyment to millions of visitors each year. The DCMS-sponsored museums, excluding the British Library, had 47.3 million visitors in 2016/17. They are accountable, through DCMS, to Parliament for stewardship of their respective collections and providing a range of services to the public, researchers and other specialists.12

11. The circumstances of their creation, and the purposes for which they were created, mean that these cultural ALBs form a distinct group within the public bodies landscape. They cannot easily be compared with other ALBs. They differ in size, purpose and nature of their collections, yet share the following characteristics, which distinguish them:

• a high public profile and reputation both nationally and internationally
• an important role in shaping and reflecting the nation’s cultural identity and world heritage
• a culture of independence fostered by their longevity and identity outside of any government function
• high fixed costs incurred by managing and protecting collections of international historical and cultural significance and maintaining listed buildings
• success in generating income from non-government sources; and
• specific statutory responsibilities e.g. the British Library is a legal deposit library, and the British Museum is responsible for the protection, assessment and display of treasure under the Treasure Act 1996.13

10 The modern day Royal Armouries is heir to one of the oldest deliberately created visitor attractions in the country, as objects from the collection were being displayed to visitors as early as the reign of Queen Elizabeth I. In 1753, the British Museum became the first modern national museum to be established by an Act of Parliament.

11 The British Library has a collection of over 150 million items that is constantly growing. In 2016/17, the collection grew by 334,000 physical objects and 174,000 digital objects. The Library harvested over 70TB of web content for the UK Web Archive in 2016.

12 The collections of the three service museums are the responsibility of the Ministry of Defence and the national museums of Scotland, Wales and Northern Ireland of the relevant devolved administrations.

Framework for functions and forms

12. Each organisation operates under varied legislation. The main characteristics are:

- 13 ALBs (12 museums and the British Library) are established by Acts of Parliament, which set out the constitution, powers and duties of their boards of trustees and vest their collections in the boards. They are usually known as ‘national museums’ both because their existence is governed by legislation and their collections were gifted, bequeathed to or collected on behalf of the nation. Other museums in the sector, including those managed and funded by local authorities, are not ‘nationals’. Primary legislation would be needed to make substantive changes to the constitution and functions of these 13 bodies. Some legislation necessitates enabling free access. Since 2001, successive governments have committed to free public access so that these wonders can be shared and enjoyed by all.

- National Museums Liverpool is a national museum because, although not established by an Act of Parliament, The Merseyside Museums and Galleries Order 1986 gives it this status. The legislative framework offers more flexibility around constitutional changes than for the other ‘nationals’.

- The Geffrye and Horniman museums are not national museums but are sponsored by DCMS. They were transferred by secondary legislation from the London Residuary Body (a successor to the Greater London Council) to DCMS and there is greater flexibility around constitutional changes.

- All 16 ALBs are charities. Three museums (the Horniman, Geffrye and Sir John Soane’s museums) are registered with and overseen by the Charity Commission. The other 13 ALBs (12 museums and the British Library) are exempt charities, meaning they are exempt under the Charities Act 2011 from registration and oversight by the Charity Commission. These 13 must keep proper accounting records, prepare consecutive statements of account consisting of income, expenditure and a balance sheet and keep these records and statements for at least six years unless the charity ceases to exist and the Charity Commission gives written consent to their disposal.

13. Appointments to the boards of 15 ALBs (excluding Sir John Soane’s Museum) are made in accordance with relevant legislation and the Cabinet Office’s Governance Code on Public Appointments, and regulated by the Office for the Commissioner for Public Appointments (OCPA). The 16 ALBs collectively have approximately 242 trustees. Approximately 191 trustees across the 15 are appointed by ministers (Prime Minister, DCMS or other government departments). A further 51 trustees are appointed in other ways, including by the museums themselves, professional bodies and high commissioners of agreed Commonwealth states. Seven chairs are selected directly by ministers, eight by the trustees (although often following an open campaign to select a trustee) and one by the museum itself (see also Chapter 3).

14. The 16 ALBs are non-departmental public bodies (NDPBs), accountable to DCMS. Their directors are designated as chief accounting officers. This means the ALBs make independent funding decisions.
within a remit set by ministers, who are ultimately accountable to Parliament and to the public for such spending. Remits are formalised in management agreements between ministers and the ALBs. Management agreements set out the amount of government ("grant-in-aid" (GiA)) funding each will receive, the government’s priorities and expectations for how this money should be spent, and the performance indicators by which each will be assessed by DCMS (Chapter 5). The table below summarises some of the key elements of these functions.

<table>
<thead>
<tr>
<th>Museum</th>
<th>National status</th>
<th>Collection held in perpetuity for the nation</th>
<th>Legislation</th>
<th>Charitable status</th>
<th>Trustee appointments</th>
<th>Chair appointment</th>
<th>Receives Grant in Aid from DCMS</th>
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</thead>
<tbody>
<tr>
<td>British Library</td>
<td>yes</td>
<td>yes</td>
<td>primary</td>
<td>exempt charity</td>
<td>Max 13: 8-12 DCMS</td>
<td>DCMS</td>
<td>yes</td>
</tr>
<tr>
<td>British Museum</td>
<td>yes</td>
<td>yes</td>
<td>primary</td>
<td>exempt charity</td>
<td>25: 15 Prime Minister</td>
<td>From Board</td>
<td>yes</td>
</tr>
<tr>
<td>Geffrye</td>
<td>no</td>
<td>no</td>
<td>secondary</td>
<td>Charity Comm</td>
<td>12: 4 DCMS 8 Museum</td>
<td>DCMS</td>
<td>yes</td>
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<td>Horniman</td>
<td>no</td>
<td>no</td>
<td>Transferred from London Residuary Body by secondary legislation</td>
<td>Charity Comm</td>
<td>12: 4 DCMS 8 Museum</td>
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<tr>
<td>Imperial War Museums</td>
<td>yes</td>
<td>yes</td>
<td>primary</td>
<td>exempt charity</td>
<td>22: 1 HM Queen (President)</td>
<td>From Board</td>
<td>yes</td>
</tr>
<tr>
<td>National Gallery</td>
<td>yes</td>
<td>yes</td>
<td>primary</td>
<td>exempt charity</td>
<td>14: 13 Prime Minister</td>
<td>From Board</td>
<td>yes</td>
</tr>
<tr>
<td>National Museums Liverpool</td>
<td>yes</td>
<td>yes</td>
<td>secondary</td>
<td>exempt charity</td>
<td>Max 20: 14-20 DCMS</td>
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<td>yes</td>
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<tr>
<td>National Portrait Gallery</td>
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<td>primary</td>
<td>exempt charity</td>
<td>16: 14 Prime Minister</td>
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<tr>
<td>Natural History Museum</td>
<td>yes</td>
<td>yes</td>
<td>primary</td>
<td>exempt charity</td>
<td>12: 8 Prime Minister</td>
<td>From Board</td>
<td>yes</td>
</tr>
<tr>
<td>Royal Armouries</td>
<td>yes</td>
<td>yes</td>
<td>primary</td>
<td>exempt charity</td>
<td>Min 6, max 11: 9 DCMS</td>
<td>DCMS</td>
<td>yes</td>
</tr>
</tbody>
</table>
15. The aims and objectives of each ALB is rooted in its collections and core functions:
   • caring for and preserving the objects in their unique and dynamic collections
   • ensuring that historical and cultural artefacts and objects are exhibited to the public and interpreted by experts in interesting, informative and illuminating ways
   • ensuring these objects are available to persons seeking to inspect them in connection with study or research; and
   • promoting the public’s enjoyment and understanding of the subjects illustrated by the collections.

16. The collections in the stewardship of the boards of the 13 national museums and the British Library belong to the nation in perpetuity. They are unique cultural assets that benefit education, health and wellbeing, and add substantially to the economy. As well as preserving objects, artefacts and artworks of historical, cultural and international significance, these objects are crucial in inspiring people’s learning, understanding and enjoyment. This requires a complex suite of essential, specialist functions that the ALBs perform, and cannot be dispensed with as long as the collections exist. This reflects the findings from the review of the service museums.23

17. These important and unique cultural, preservation and heritage functions are being delivered, delivered to a high standard and must continue (Recommendation 2.1). The annual reports of all the ALBs contain a wealth of detail about this and paint a picture of an extremely successful group. Over nine out of ten

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visitors to every museum would recommend a visit, with many museums being recommended by nearly 100% of visitors (Appendix C). This was also testified to by responses to the call for evidence: 93% of respondents said the ALBs fulfilled their purposes “very well” (63%) or “quite well” (30%). Sample achievements for 2016/17 include:

- the Natural History Museum has made major progress in its extensive digital initiatives, including hosting around 8 million records via its Data Portal and making 300,000 specimens accessible to all via a partnership with Google Arts and Culture.
- Sir John Soane’s Museum completed a seven year Opening Up the Soane project, which substantially enhanced the Museum by opening up a third more space, and was shortlisted for the Art Fund Prize for Museum of the Year 2017.
- Science Museum Group expanded its existing STEM Ambassador contract, seeing the Group’s Museum of Science and Industry, National Railway Museum and National Science and Media Museum work in partnership to engage young people across Greater Manchester, North and West Yorkshire in STEM through 2500 Ambassador volunteers.
- Tate Modern opened its new Blavatnik Building, doubling display space for installations and exhibitions, enabling display of a more diverse range of contemporary and modern artists, and a dedicated section for Tate Exchange. This has boosted visitor figures, especially young people aged 16-25 and saw Tate Modern shortlisted for the Art Fund Prize for Museum of the Year 2017.

18. In the call for evidence responses on what people thought was the purpose of a national museum were consistent with the core functions. The 787 responses are summarised in the chart below:

<table>
<thead>
<tr>
<th>Purpose of a National Museum</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>To preserve and display collections and buildings</td>
<td>70%</td>
</tr>
<tr>
<td>To protect and display national heritage</td>
<td>60%</td>
</tr>
<tr>
<td>To provide learning and education opportunities</td>
<td>50%</td>
</tr>
<tr>
<td>To provide inspiration and enjoyment</td>
<td>40%</td>
</tr>
<tr>
<td>To engage with wide and diverse audiences</td>
<td>30%</td>
</tr>
<tr>
<td>To support and engage with broader UK museums sector</td>
<td>20%</td>
</tr>
<tr>
<td>To promote Britain</td>
<td>10%</td>
</tr>
<tr>
<td>To provide free entry</td>
<td>10%</td>
</tr>
<tr>
<td>To research, interpret and provide expertise on collections</td>
<td>5%</td>
</tr>
<tr>
<td>To encourage tourism</td>
<td>5%</td>
</tr>
<tr>
<td>Other</td>
<td>5%</td>
</tr>
</tbody>
</table>

Note: Percentages do not sum to 100% as respondents were able to choose more than one response.

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27 Science, Technology, Engineering and Mathematics
29 https://www.gov.uk/government/consultations/review-of-museums-in-england. Respondents were able to make multiple responses to this question, being asked to select all answers which they thought applied so the percentages add up to more than 100%.
Form

19. An NDPB is broadly defined as a ‘body which has a role in the processes of national government, but is not a government department or part of one, and which accordingly operates to a greater or lesser extent at arm’s length from ministers’. Having considered alternative delivery methods (Appendix A), the review concluded that all 16 should remain as NDPBs sponsored and receiving GiA from DCMS (Recommendation 2.2). The current status of being NDPBs within central government, combined with the operational freedoms, represents the best way of balancing the sponsored museums’ public sector and charitable obligations. Decisions in relation to mergers are for the respective ALBs. The trustees of the respective organisations may find this analysis useful in considering any such options. Any further consideration to changes of arrangements relating to National Museums Liverpool should only be considered once the new devolved administration for the Liverpool City Region is fully established and effective working arrangements in place. The review recommends no current changes to the arrangements for the two non-national museums DCMS sponsors (Geffrye and Horniman). The rationale for these remaining to be sponsored by DCMS continues on from the extensive review undertaken in 2010-12.

20. The 13 national museums and the British Library meet two of the three tests for being classified as NDPBs: performing a technical function which needs external expertise to deliver (test one) and activities which require political impartiality (test two). The trustees at each organisation are crucial in ensuring that the national collection is cared for and preserved in perpetuity, based on professional not political priorities. This key role would be endangered by a closer relationship to government, and the potential impact of changing government views and parliamentary cycles. It is essential that the national museums and the British Library are politically independent and impartial in carrying out their functions in order to effectively preserve the collections in perpetuity.

Comparisons


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30 https://www.gov.uk/guidance/public-bodies-reform
31 https://www.gov.uk/government/publications/liverpool-devolution-deal

23. Internationally, it is common for national museums to be administered and/or funded by national governments. The Smithsonian Institution in the United States, a group of 19 museums plus a zoo and several research centres, is administered by the Government, with 60% of its annual budget ($840m in 2016) funded through Federal Government appropriations.\(^{33}\) Similarly, the National Gallery of Australia is a portfolio agency within the Department of Communications and the Arts, which provides 82% of its annual budget (AU$54.4m in 2015/16). The Louvre in France is owned by the French Government and reports to the Ministry of Culture and Communications. 50% of its annual income (€102m in 2014) is provided by the state, but it is not free, charging an entry fee of €15. In Germany, the funding model is based on the principle of subsidiarity. Municipalities are responsible for the cost of financing public cultural activities and institutions, followed by the federal states (länder). The Federal Government provides only a small share of the total support for culture in Germany.\(^{34}\)

**Operational freedoms**

24. This group of ALBs, together with other cultural organisations, has been recognised de facto as a sub-group of NDPBs with their distinct public-facing and collections management purposes and responsibilities.\(^{35}\) The operational freedoms recognised the unique qualities, role and importance of the sponsored museums as ALBs, the level of funding they receive from non-government sources and their success in generating commercial income. The freedoms include removal of the 1% limit on pay awards, power to borrow money (except the British Library) through voted loans (limited to £60m for the group per year), and permission to invest non-grant income and spend previously generated reserves. In 2015, DCMS commissioned an independent assurance review of the freedoms. Internal auditors concluded that freedoms in place at the time were supported by museums and that the extension of these and the introduction of further freedoms would most likely be welcomed. The freedoms were made permanent and extended to other organisations. An opt out to the Principal Civil Service Pension Scheme was included.

25. Government is not currently planning to extend the operational freedoms granted to these ALBs, and without a review of effectiveness to date it could not be justified. Feedback on the operational freedoms has generally been positive. The freedoms provide sufficient operational autonomy within the context of accountable and publicly funded organisations. Sponsored museums are grateful for the reduction in bureaucracy and burdens that resulted from the freedoms. In particular, the freedom to carry reserves over has been a major source of stability and it is important to the museums that they can determine pay for their staff. Take up on some freedoms has been variable. Many sponsored museums, especially their boards, appear reluctant to take out loans, much preferring grants; and only one museum has changed pensions arrangements, with others citing a need for clarity from the Cabinet Office on how the scheme works and potential costs involved. It would be helpful to better understand these reasons, what might be done to improve take up or if, in practice, some are not required, or potential new ones (Recommendation 2.3). For example, there are potential benefits to the British Library, which is prohibited under its primary legislation, being able to borrow money. This restriction for the British Library appears at odds with the spirit of the freedoms and the direction of policy, especially as organisations become increasingly commercial (Recommendation 2.4).

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\(^{34}\) For further information on international comparisons please see [http://www.worldcp.org/index.php](http://www.worldcp.org/index.php)

\(^{35}\) In 2013, the 16 DCMS-sponsored museums received these freedoms. In 2015, they were extended to cover other organisations: Historic England, the Churches Conservation Trust and the British Film Institute, plus some non-DCMS government funded bodies: Kew Gardens, which is funded by Defra, and the three Ministry of Defence service museums. The freedoms pilot and subsequent permanent package included the national museums in Scotland and Wales. The museums of Northern Ireland were invited to be included but decided not to join.
Public corporation status

26. To become a public corporation an organisation must generate at least 50% commercial income. In 2016/17 sponsored museums collectively received less than half (44.3%) of their income from GiA, with some museums receiving significantly less (see Chapter 4), but no single museum generated 50% from commercial income alone, which precludes them from applying to be a public corporation. Whilst funding would still come from government, and the government would select trustees, public corporations have more freedoms, being further removed from government control, such as reduced bureaucracy, their own recruitment and retention policies and potentially additional ways to raise funds e.g. issuing bonds. These benefits would appear greater than the current freedoms and it would still be possible for ministers to ensure priorities such as free access. Whilst the current definition may be inadvertently precluding these organisations from becoming public corporations, it may be helpful to work with those museums who may be interested in, and have the potential of, becoming a public corporation to understand the benefits more and see if this is worth pursuing further (Recommendation 2.5).

Conclusions

27. The ALBs should remain as NDPBs sponsored by DCMS. This is the most appropriate model as the ALBs meet two of the ‘three tests’. There is anecdotal evidence to show that the operational freedoms are valued but no hard evidence as to their impact and such work should be undertaken to investigate further. As the ALBs continue to increase the proportion of earned income to GiA, some may pass the threshold for converting to public corporation status.

28. Given the similarities between their businesses and the similarities from the findings of the MoD review, the teams in DCMS and MoD responsible for sponsoring the museums should ensure they share knowledge, ideas and good practice (Recommendation 2.6).
Chapter Three: Ensuring Effectiveness

29. This chapter examines how the 16 ALBs operate. In particular, it focuses on the role of the national museums within the museums sector and the extent to which they contribute to government priorities. It considers the effectiveness of the nationals as leaders and coordinators, their national and international impact and opportunities to develop as cultural enterprises. This chapter should be read in conjunction with the Mendoza review, especially the recommendation for a new Partnership Framework (Mendoza Review recommendation 12) and on Brexit (Mendoza Review recommendation 11), which apply particularly to the national museums and the British Library.

Alignment with government priorities

30. The government’s current priorities for sponsored museums can be summarised as:

- maintaining free access to the important permanent collections so that as many people as possible can enjoy the opportunities they offer, and ensuring they are preserved in perpetuity for the nation
- the riches of culture and the national collection should benefit communities across the country, contribute to placemaking, driving growth, and enriching lives by contributing to economic, cultural, educational and social development
- promoting Britain abroad through cultural diplomacy, especially post Brexit, and contributing to tourism, highlighting the UK as a special place to visit; and
- supporting the cultural investment, resilience and reform needed for a thriving arts and cultural sector.

31. The value and contribution of the sponsored museums cannot be understated. They support a range of other government priorities, especially related to their individual and specific collections. They contribute to education, learning, health, wellbeing, social-cohesion and, as a ‘creative industry’, to urban and rural regeneration, employment and economic growth. Particularly notable recent examples include:

- National Museums Liverpool’s House of Memories dementia awareness programme, which has trained over 11,000 museum, health and social care staff and carers and won the Alzheimer’s Society’s Best Dementia Friendly Partnership Working Award in 2015.
- Imperial War Museums North in partnership with Manchester Museum delivered Inspiring Futures: Volunteering for Wellbeing, a volunteering, training and placement programme across 10 heritage venues in Greater Manchester. The project led to improved quality of life and life satisfaction amongst people who were from disadvantaged backgrounds, focusing on young people aged 18-25, older people aged 50+ and armed forces veterans;
- the V&A’s secondary schools project, DesignLab Nation, began in September 2017 with the aim of cultivating art, design and technology skills through local partnerships between schools museums and the creative industries. Starting in Blackburn and Coventry, it coincides with the start of a new design and technology GCSE and will support the revised qualification; and

36 This does not detract from the view that in some areas it may be beneficial for museums to not be aligned with government policy because of their independence, impartiality and own international credibility. We also appreciate that much work and relationship building takes place over a longer time horizon than the political cycle. The chapter also does not specifically consider the wider role of the British Library as a ‘library’, and supporting the library and archive sector.

37 See also ‘Nationals being international: enhancing Britain’s reputation abroad’.
• Natural History Museum and Science Museum Group with the Department for Business, Energy, Innovation and Skills (BEIS), the Department for Education and Department of Health on science, technology, engineering and mathematics (STEM) and life sciences. The Science Museum Group has been working with King’s College London and University College London on the Enterprising Science project since 2012, using the concept of science capital to understand how people from all backgrounds engage with science and how their engagement might be increased through different formal and informal science-related experiences, such as visiting museums and science centres.

Nationals being national: reaching out to the many and contributing to regional prosperity and growth

32. A familiar criticism of the national museums, including the British Library, is that they are mostly in London. However, half (seven) of the nationals have sites outside of London and three are wholly or predominantly outside London, with a strong concentration in Yorkshire and the north west.\(^{38}\) 23 of 44 (52%) national museum branches (including the British Library) accessible to the public/researchers are located outside of London.\(^{39}\) Collectively in 2016/17 there were over 6.7 million visits to national museums (excluding the British Library) outside of London, including over 3 million to the eight museums that form part of National Museums Liverpool and over 700,000 to the National Railway Museum in York.

<table>
<thead>
<tr>
<th>Museum</th>
<th>Locations outside London</th>
<th>Sites outside London</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Museums Liverpool</td>
<td>Wholly</td>
<td>World Museum, Liverpool</td>
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<tr>
<td></td>
<td></td>
<td>Walker Art Gallery, Liverpool</td>
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<tr>
<td></td>
<td></td>
<td>Museum of Liverpool, Liverpool</td>
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<tr>
<td></td>
<td></td>
<td>Merseyside Maritime Museum, Liverpool</td>
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<tr>
<td></td>
<td></td>
<td>International Slavery Museum, Liverpool</td>
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<tr>
<td></td>
<td></td>
<td>Lady Lever Art Gallery, Port Sunlight</td>
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<tr>
<td></td>
<td></td>
<td>Sudley House, Liverpool</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Manages Seized!, Liverpool (on behalf of Border Force)</td>
</tr>
<tr>
<td>Royal Armouries</td>
<td>Mostly</td>
<td>Royal Armouries, Leeds</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Fort Nelson, Fareham, Hampshire</td>
</tr>
<tr>
<td>Science Museum Group</td>
<td>Mostly</td>
<td>Museum of Science and Industry, Manchester</td>
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<tr>
<td></td>
<td></td>
<td>National Railway Museum, York</td>
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<tr>
<td></td>
<td></td>
<td>Locomotion – The National Railway Museum at Shildon (joint venture with Durham County Council)</td>
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<tr>
<td></td>
<td></td>
<td>National Science and Media Museum, Bradford</td>
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<tr>
<td></td>
<td></td>
<td>Science Museum at Wroughton, Swindon, Wiltshire</td>
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<tr>
<td></td>
<td></td>
<td>Oversight of National Coal Mining Museum England, Wakefield</td>
</tr>
<tr>
<td>Imperial War Museum</td>
<td>Partially</td>
<td>Imperial War Museum North, Manchester</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Imperial War Museum Duxford, Cambridgeshire</td>
</tr>
<tr>
<td>Natural History Museum</td>
<td>Partially</td>
<td>Tring, Hertfordshire</td>
</tr>
<tr>
<td>British Library</td>
<td>Partially</td>
<td>Boston Spa, West Yorkshire</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Public Lending Right office, Stockton-on-Tees</td>
</tr>
<tr>
<td>Tate</td>
<td>Partially</td>
<td>Tate Liverpool</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Tate St. Ives</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Barbara Hepworth Museum, St. Ives</td>
</tr>
</tbody>
</table>

\(^{38}\) There are national museums in Scotland, Wales and Northern Ireland, sponsored by the respective devolved administrations. The three service museums also have sites outside of London. In England, the National Museum of the Royal Navy (NMRN) has sites in Portsmouth, Eastney, Gosport, Yeovilton and Hartlepool. The National Army Museum (NAM) is based in Chelsea, London, but also has a site in Stevenage and a presence at the Royal Military College, Sandhurst. The Royal Air Force Museum has sites in Colindale, North London and Cosford, Shropshire. The National Memorial Arboretum, overseen by the Ministry of Defence, is located in Staffordshire.

\(^{39}\) This does not include all offsite stores and facilities that are not publicly accessible.
Map showing the geographical spread of the DCMS-sponsored museums

This map includes the museums and collections sponsored by DCMS. It does not capture those museums sponsored by the Ministry of Defence, which are out of scope for this review. It also does not capture those sponsored by the devolved administrations.
The Mendoza review highlights the importance of museums for placemaking and development of communities. This is particularly true for the nationals. The South Kensington museums play a key role in the culture, heritage and identity of the area which is fundamental to its placemaking. Outside of London, National Museums Liverpool and Tate Liverpool have been crucial in regenerating the centre and Albert Dock area of Liverpool, turning it into a thriving cultural centre and the fifth most visited city in the UK by domestic tourists. More recently, national museums have been critical to regeneration plans in Manchester, York, Leeds and elsewhere. The National Portrait Gallery has a long standing relationship with the National Trust, which contributes to sharing portraiture across the UK and bolstering displays in National Trust properties.

**Partnerships and collaboration**

The nationals have a range of excellent partnerships in place with other museums. Many of the museum sector’s greatest successes have come through partnerships and collaboration. These considerably extend their reach and impact beyond their physical presence. In 2009, the National Museum Directors’ Council published a survey of partnership working between nationals (including those in Scotland and Wales) and other museums and galleries. As well as demonstrating a wide variety of partnerships, mapping of such activity demonstrated an extensive spread across the country. All ALBs have made, and are making, great efforts to extend and deepen their reach to different audiences and to encourage people to attend more regularly.

| Touring exhibitions and collaborative exhibition projects | Plus Tate comprises 35 institutions committed to working with contemporary art and artists and audiences in England, Wales, Scotland and Northern Ireland. This expands Tate’s reach and increases public access to the national collection of British and international modern and contemporary art. The Walker Gallery (National Museums Liverpool) has a partnership with four other galleries as part of an Arts Council England initiative to share exhibitions of new artwork. |
| Partnership galleries | The British Museum has a strong record of partnership working across the UK with a wide reaching programme of loans (it loaned nearly 3,000 objects to 156 venues in the UK in 2016/17), touring exhibitions and Partnership Galleries with regional museums sharing objects and expertise, including Yorkshire Museum, Manchester Museum and Tullie House, Carlisle. |
| Joint learning, digital and audience development projects | Royal Museums Greenwich Travellers’ Tails was a collaboration with four other museums, including the Horniman, delving into the history of exploration, arts and science. It included a new interactive pop-up museum in Lewisham Shopping Centre, offering visitors a hands-on opportunity to explore the collection of their local museum. Now open to the public, the free pop-up museum focuses on the history of exploration, art and science during Captain Cook’s voyages to the Pacific. Natural History Museum’s Real World Science programme works with museums across the UK that hold natural history collections to develop collaborative learning programmes involving students with science and culture. This programme has so far reached more than 4,000 schools and 150,000 students nationally. In 2016/17, over 80,000 individuals actively participated in community engagement activities and events at the Horniman Museum and Gardens. |

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42 The current partner museums are Wollaton Hall (Nottingham City Museums and Galleries), Stoke-on-Trent Museums, Great North Museum: Hancock, Leeds Museums and Galleries, Peterborough Museum (Vivacity Culture and Leisure).
| Joint scholarship and collections research | **Science Museum Group**’s Dana Research Centre and Library formally opened in March 2016. It enables free exchange of insight through a programme of conferences, workshops and seminars.  
**British Library**’s collaboration with Indian institutions, including hosting a series of workshops and seminars for researchers and library professionals in India, and a memorandum of understanding with the National Digital Library of India to share metadata and digitised content. |
| --- | --- |
| Staff exchanges, individual mentoring and expertise sharing | **Sir John Soane’s Museum** organises tours and visits to its Research Library, which houses Soane’s collection of 30,000 architectural drawings and 10,000 books, for architecture students from Newcastle University, The Royal Drawing School, University College London and Central St Martins.  
**Imperial War Museums** has explored apprenticeship schemes to develop skills across their workforce in a number of departments. Starting in 2016, Imperial War Museums worked with Manchester Metropolitan University recruiting staff to undertake a Chartered Management Degree Apprenticeship. Imperial War Museums offered individuals the opportunity to work full time and attend university, supporting recruits to study and work towards an undergraduate degree.  
For 2016/17, the **Horniman Museum and Gardens** supported year one of a two-year Level 3 apprenticeship in the Gardens funded by the Worshipful Company of Gardeners.  
The British Art Network, coordinated by **Tate** with expertise from the V&A and others, is a Subject Specialist Network (SSN) bringing together professionals working on British art including curators, researchers and academics, reflecting the combined strength of the UK’s public collections and curatorial expertise in this field. |
| loans of objects | Most sponsored museums lend objects to others. In 2016/17 collectively they reported loaning objects to over 4000 venues (1,356 UK venues and 2,663 overseas venues). We heard considerable positive feedback about the benefits this can have for a smaller museum:  
• The **National Gallery** will lend the famous horse portrait “Whistlejacket” to the MK Gallery in Milton Keynes as a central part of MK’s reopening exhibition in 2019  
• The **National Portrait Gallery**’s People, Portraits, Places programme links local figures such as Beatrix Potter with their place of origin to provide a catalyst for loans and community activities  
• The **Royal Armouries** and **Imperial War Museums** lend artillery, arms, artillery and armour to regimental museums to bolster their collections and ensure ‘local’ heritage and regiments are promoted; and  
• National museums themselves benefit from inward loans. The **Wallace Collection** recently opened an exhibition of Spanish works including *El Greco to Goya* loaned by the Bowes Museum, County Durham. |

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43 The Wallace Collection is prohibited from ‘separating’ the collection under the terms of its bequest.  
44 This is calculated by combining the information in the 16 annual reports and performance indicator returns. The total number of loans is much greater as some museums will have received more than one object. For example, Tate made 513 loans to 33 UK institutions and V&A made a total of 378 loans including UK and overseas loans. The number of overseas loans made by Natural History Museum (2119) is higher than average in comparison with other national museums. As a research organisation, Natural History Museum makes many loans specifically for scientific research purposes in addition to items for display.
Strategic review of DCMS-sponsored museums

Sharing exhibitions and collections

National Museums Liverpool and Castle Howard have a long term partnership of 89 Roman antiquities given in 2016/17 as ‘Acceptance in Lieu’, and which are currently on long-term loan to Castle Howard.

The V&A shares objects and exhibitions with the Museums Sheffield Trust, and has new franchise arrangements with museums in Dundee and Shenzhen in Shekou, China, which will include long term loans and exhibition sharing.

Tate’s Artists Rooms, with National Galleries Scotland, is a joint collection of over 1600 modern and contemporary works. Tate has made other major acquisitions with regional partners and is committed to touring these. Over 151 exhibitions have been held in 77 venues since 2009 which attracted over 40 million visits.

Specialist roles

British Museum has a statutory responsibility under the terms of the Treasure Act 1996 Code of Practice to register and process treasure finds from England. Finds Liaison Officers from the Museum’s Portable Antiquities Scheme take in artefacts from finders and report them to the relevant Coroner on their behalf. It provides advice to Coroners regarding the nature of these finds. It also supports the Treasure Valuation Committee in recommending a value to the Secretary of State for find of Treasure from England, Wales or Northern Ireland, which is used as the amount of reward payable to the finder and landowner in cases where a museum acquires the find.

British Library’s role as a legal deposit library means that, by law, a copy of every UK print publication and those published digitally and online must be given to the British Library by its publishers.

Royal Armouries shares expertise with the police and military and with the National Memorial Arboretum educates new army recruits in the ‘Realities of War’.

Joint ventures and collaborations

Locomotion at Shildon is a partnership between Durham County Council and the Science Museum Group.

The Royal Armouries leases land from Hampshire Council at Fort Nelson.

The V&A is leasing its brand and substantial parts of the collection and contemporary exhibitions to Scotland’s first design museum, V&A Dundee.

35. Whilst incredibly valuable, there were suggestions that this tremendous and diverse activity could be better co-ordinated and joined up. The Countries of Culture report from the Culture, Media and Sport Select Committee recommended that the nationals should share best practice, extend their outreach activities, mentor other museums, and share skills across the sector. Responses to the calls for evidence reflected these views, suggesting that national museums could further fulfil their purposes and could extend their impact by engaging more with museums and places outside London.

36. One recurring issue was the variations in loaning procedures employed by nationals, which a substantial number of local authority and independent museums reported finding disproportionate and off-putting. Nationals meanwhile attributed difficulties with lending to their responsibility to ensure potential host institutions could meet any criteria required in relation to where an object is displayed or stored, preservation requirements and short lead in times. In August 2017, the British Museum’s National Programmes team, with support of the Vivmar Foundation, hosted a conference which explored how UK museums can be encouraged and supported to proactively lend to each other and to borrow from wider sources. The nationals should work together to look at what more they could do to work more collaboratively on processes and timing for loans, tours and exhibitions, including taking forward joint initiatives such as periodical tours of the collection or joint exhibitions and events, especially out of London. The government’s manifesto committed it to supporting and promoting this activity as a key way of improving and diversifying access to the national collection.

45 The Portable Antiquities Scheme (PAS) is a partnership project which is funded through DCMS grant in aid to the British Museum with local partner contributions.

46 Culture, Media and Sport Committee, Countries of Culture: Funding and support for the arts outside of London (2017), https://publications.parliament.uk/pa/cm201617/cmselect/cmcumeds/114/114.pdf
37. We would like to see the national museums taking forward initiatives to deliver these commitments across England. The Partnership Framework (Mendoza Review recommendation 12) should recognise, maintain and build upon the strong work that the national museums are already doing, extending and exemplifying this further, recognising that the collections and partners of sponsored museums differ greatly. Work to improve partnerships, especially the process for loans, should focus on standardisation and simplification whilst continuing to safeguard the precious national assets, and without diminishing the richness, breadth and variety of current partnerships (Recommendation 3.1).

Nationals as leaders: supporting the wider museums sector, driving forward best practice and change

38. National museums, including the British Library, take their position as leaders of, and within, the sector seriously, and should be recognised for this work. Examples include:

- Imperial War Museums’ National First World War Centenary Partnership Programme, which has 3,801 members in 62 countries. It provides members with a universal free offer from sharing digital resources, hosting networking events, strategic projects with key partners and dedicated staff to facilitate connections.

- The National Portrait Gallery leads the Understanding British Portraits network, in partnership with the National Trust, Tyne and Wear Archives and Museums, the Oxford Dictionary of National Biography, and Bristol Museums, Galleries and Archives. The network is made up of 1,291 professionals engaged with portraiture, including curatorial and collection-based learning professionals. The network seeks to encourage skill sharing in the pursuit of a better understanding of portraits in British collections.

- The V&A has partnered with Museums Sheffield to extend the reach of its collections and raise Sheffield’s profile as a destination for touring exhibitions. In 2016 Museums Sheffield became one of two participants in the V&A’s pilot photography curators’ training programme.
• The Living Knowledge Network is an innovative partnership led by the British Library with 21 major libraries across the UK, and in partnership with the National Library of Scotland and the National Library of Wales. Together they share resources, skills and ideas, promoting the enduring values of libraries in the 21st century and reinforcing the idea of libraries as a transformative and accessible public asset.

• Sir John Soane’s Museum has worked with New York University on a professional development programme for academics and PhD students across different disciplines.

• The non-national Horniman Museum and Gardens established a new subject specialist network, the Musical Instrument Resource Network, which has grown in one year to over 125 members drawn from diverse musical instruments communities. The network provides collections advice to academics, students, large heritage organisations such as English Heritage and the National Trust, larger national museums including the V&A and British Museum, regional museums, international organisations, makers and restorers, and private collectors.

39. Whilst each ALB is active in the sector as a whole, this activity could be better coordinated with one another and with Arts Council England (ACE) (see also Mendoza Review). Each ALB should be free to forge mutually beneficial partnerships, but we believe that more could be done to ensure that the reach of the sponsored ALBs – in particular the nationals – is extended and joined-up, potentially increasing, based on an assessment of need and informed by existing activity. ACE, as the museum development agency (see Mendoza Review), will hold data and develop policy that can help inform where ALBs may wish to direct their regional attention. This would enable more strategic action, coordinating a wider deployment of the national collection, and increasing the range of collaborations and touring. The Partnership Framework will provide a mechanism for identifying where nationals can take a greater leadership role for the sector and help other museums to help themselves. This includes particularly with the service museums and national museums located in the devolved administrations (Recommendations 2.6, 3.1 and 3.2).

40. Some obstacles have been identified that make it difficult for the out-of-London museums to be fully effective and maximise their impact. This is in contrast to the costs for many other forms of ALBs. As Chapter 4 sets out, non-London nationals are typically more dependent upon grant-in-aid (GiA), can be less effective in attracting commercial sponsorship and philanthropic income, and may find charging for temporary exhibitions challenging. This includes satellite sites of London-based museums. Sharing learning from other national museums, including those in the devolved administrations, may help (Recommendation 3.2), but committing further to supporting national museums across England needs appropriate funding and recognition that without this, the impact on local communities may not be as great as it could be.

**Nationals being international: enhancing Britain’s reputation abroad**

41. Through their profiles and reputations the nationals contribute significantly and substantially to the UK’s cultural diplomacy and reputation abroad. They include three of the most visited museums in the world and seven of the top ten visitor attractions in England.47 There were an estimated 22.3 million visits to sponsored museums in 2016/17 by overseas visitors, accounting for 47% of all visits demonstrating their worth not only to UK tourism and the economy but also to UK cultural heritage and prestige. International touring can also be an important income stream, but requires upfront investment and time to develop effective partnerships with overseas institutions, which is vital for the realisation and success of such initiatives.

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47 British Museum, National Gallery and Tate Modern.
With a few exceptions, sponsored museums have active, diverse and stimulating international programmes. Constituent projects are often initiated by the partnering museums themselves, drawn to the skills and collections of the ALBs or reflecting expertise and interests of the ALBs. Notable recent examples include:

- **National Portrait Gallery** partnered with the state Tretyakov Gallery in Moscow in a cultural exchange, exhibiting several Russian masterpieces from the Tretyakov Gallery and lending British portraits from their collection.

- The **Royal Armouries** has initiated international relationships through the use of its international standard tiltyard. In addition to the annual Easter Joust, which hosts equine display teams from across the world, the Leeds site has hosted Poland’s acclaimed ‘Winged Hussars’ cavalry re-enactment society. This year’s event was supported by the Polish Cultural Institute and attracted substantial interest from people with Polish heritage living in the UK and abroad.

- The **British Museum** conducts extensive fieldwork, collaborating with international institutions and training curators throughout the world. One particularly notable example is its work with Iraqi archaeologists, funded via the Cultural Protection Fund.

- The **British Library** Qatar Foundation Partnership has launched the Qatar Digital Library – a bilingual, online portal providing access to previously un-digitised British Library archive materials relating to Gulf history and Arabic science.

- **Tate** Liverpool’s exhibition *Jackson Pollock: Blind Spots* toured to the Dallas Museum of Art. Tate Britain developed an exhibition of works by Henry Moore that went to the Baths of Diocletian in Rome where it attracted over 54,000 visitors.

- The **Natural History Museum**’s *Treasures of the Natural World: Best of London’s Natural History Museum* began its debut tour at the National Museum of Nature and Science, Tokyo, to share these extraordinary items internationally for the first time.

- **Horniman** has partnerships with the Observatorio das Favelas in Rio and the Museu da Imigração in São Paulo, Brazil and the **Science Museum Group** signed a Memorandum of Understanding with the Museum of Tomorrow in Brazil during the 2016 Olympics.

- A number of museums are collaborating with Chinese museums to exhibit abroad or to bring items to the UK, including the **British Museum**’s *A History of the World* exhibition this year, supported by HM Treasury; the loan of a number of objects for *China’s First Emperor and the Terracotta Warriors* exhibition at **National Museums Liverpool** in 2018; the **Tate**’s *Landscapes of the Mind: British Landscape Painting (1700 – 2007)* which is being shown in Shanghai and Beijing in 2018; closer cooperation between **Science Museum Group** and China on STEM learning and touring exhibitions; and the **V&A**’s partnership with China Merchants Group to develop the new Sea World Culture and Arts Center center in Shenzhen, China, which will open in late 2017 with a V&A gallery at its heart.

HM Government branding is not always desirable when touring in, or forming partnerships with, museums or other organisations in certain countries and can hinder a museum’s development of partnerships i.e. where political perceptions are particularly sensitive. The museums cited a number of relationships that they felt could only have arisen because of their independence from government. In some other instances, central government assistance is vital to ensuring international activities are better aligned and promoted. In some cases, support from HM Government or the British Council (with its own benefit as an independent NDPB) is essential to ensuring projects are successful, or can be conceived of in the first place. Cross-government support, for example, helped enable the hugely successful Cosmonauts exhibition at the Science Museum, for which Director Ian Blatchford was awarded the Pushkin medal.

Each relationship is different and many take years to develop. Given other pressures on funding, this can sometimes be difficult to prioritise, and upfront investment challenging to find. DCMS and the UK Government are keen to support international activity across the sector for the benefit of all English museums. Nationals have a key leadership role in supporting this activity throughout the
sector. One key way is through the Cultural Diplomacy Group, led by the British Council. To take this further, and ensure a collaborative contribution to the GREAT campaign (a condition in management agreements), DCMS will create an international strand to the Partnership Framework. This will facilitate the introduction of non-national museums who are sometimes better placed to contribute in particular countries, or on particular themes, and ensure best practice is shared widely. It could help to develop a map or log of partnerships and collaborations to support this advocacy across government. The museums in turn would benefit from more information on what government international priorities are, and how they can best contribute, recognising that effective partnerships take time and resources to develop and that continuity is crucial. The Partnership Framework should underpin existing links, focus on resourcing and supporting existing work, as well as the benefits of the museums to the UK’s international reputation (Recommendation 3.3).

45. The impact of Brexit and associated recommendations is considered in the Mendoza Review. Given the increased activity of the nationals and higher proportion of staff from European Union countries working in many national museums, the potential risks and opportunities are projected to be greater for the nationals than other types of museums (Mendoza Review section 9, Working Internationally).

**Nationals as cultural enterprises: effective and efficient businesses with skilled workforces reflecting the nation’s population**

46. As the Mendoza Review maintains, museums need to operate effectively as commercial enterprises, in which there are cultural elements to support public objectives. This applies even more so for national museums given the scale and scope of their operations. The nationals are generally very adept at this, specialising in certain areas and seeking to sustain and strengthen other capabilities. This section explores some areas where more work may be required, or opportunities appear to not being fully maximised.

**People**

47. Issues pertaining to the sector’s diversity, of both audience and workforce, are covered in the Mendoza Review (section 6, Developing Leaders with Appropriate Skills and section 7, Diversifying the Workforce).

Many sponsored museums have identified issues with the diversity of their workforces, especially their top teams and with trustee appointments. Of the 14 national museum directors only two are women (Tate and Imperial War Museums) and the two non-national directors are currently women (Geffrye and the Horniman). None are from a black, Asian or minority ethnic (BAME) background, although some members of executive teams are. Of the 16 ALBs only four currently have a female chair (Science Museum Group, British Library, National Gallery and the Horniman). Only one chair (the Geffrye) is from a BAME background and none declared they have a disability. Of board appointments made by DCMS 43% are women, 11% from a BAME background, and 0% declared a disability. This is significantly less than UK population proportions. DCMS and the museums are resolved to address this, ensuring the museums are attracting people to apply and selecting people that represent the populations they serve. Tate has set out its intention to champion initiatives around diversity on behalf

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49 The group is hosted by the British Council and is made up of representatives from: government departments, the devolved administrations, the relevant arts councils, government-sponsored museums, including those in the devolved administrations and other relevant arms length bodies such as the BBC and the British Film Institute.

50 Diversity in the workplace relates to ensuring that the workforce, and in the case of museums, board and committee appointments, reflect the communities that museums serve. Diverse workplaces are composed of both employees and other members of the organisation, with varying characteristics including, but not limited to, age, race or ethnicity, gender, religious and political beliefs, education, socio-economic background, sexual orientation and geographic location.

51 Not all board appointments for DCMS-sponsored museums are made by DCMS. Some are appointed by the Prime Minister, some by the Queen and some by ministers in other government departments or in the case of the Imperial War Museums, other states. Some appointments are made directly by the museums themselves or on the recommendation of bodies set in legislation. For example, Sir John Soane’s is responsible for all board appointments, including the Chair.
of the sector, and should be supported in this. Most recently DCMS co-hosted an event at the V&A with its ALBs to encourage more people from BAME background to apply for forthcoming trustee appointments, including a number within sponsored museums. As part of the governance reviews (Chapter 5) we would like all ALBs to review how they intend to do this, especially for their executive teams, and if necessary update their workforce strategies (Recommendations 3.4 and 5.3).

48. It is important that boards are fully effective and able consistently to challenge and scrutinise the decisions and operations of the museums they represent. The skills required are gradually changing, especially due to advancements in digital capabilities, the need to be more commercial and as museums enter different phases of individual development e.g. taking forward major upgrades, refurbishments or masterplanning. Boards should have a wide distribution of skills, including financial management, fundraising, digital, media and commercial expertise (Recommendation 3.4).

49. In 2017, following the Grimstone Review of Public Appointments, the Cabinet Office’s new guidance on making public appointments came into effect. All DCMS-sponsored museums should comply where it is consistent with their primary legislation (Recommendation 3.5).

Income generation and commercial opportunities

50. Commercial activity relates to any activity for which money is exchanged and how well that exchange is conducted. Commercial activity is likely to be central to the experience that a visitor has, it is not an add-on but key activity and often aligned with current content and exhibitions. It is vital for delivering those services and the visitor experience. For sponsored museums, commercial activity particularly relates to food and beverage services, retail activity, events such as weddings or corporate hire, sponsorship and charges for exhibitions. Commercial activity is also very important in the procurement of services that support museum operations e.g. capital developments, facilities management, security, IT, cleaning, or the provision of managed services e.g. cafe or restaurant, conference facilities etc. Commercial activity can also extend into the offering of shared services to the sector, e.g. providing multi-museum storage solutions (see Chapter 4 and ‘smaller museums’, Chapter 3).

51. The 16 ALBs show huge variations in both the amount and percentage of income they gain from commercial sources. The museums secured on average 15.7% of income from commercial activity in 2016/17, with the highest percentage from commercial activity income at Science Museum Group (26.7%). 12 nationals have established at least one trading company, which deals with much of their commercial activity. Most have subcontracted sections of their commercial operations to diversify the risk and ensure that they can focus museum activity on what they are best at i.e. running a museum. As GiA has decreased in real terms sponsored museums, especially in London, have become increasingly effective in this area (see also Chapter 4).

52. There are benefits of museums sharing this knowledge and expertise and learning from one another, the service museums and other organisations, to collate commercial intelligence and best practice for wider benefit, including efficiencies. DCMS and other areas of government may be able to assist the national museums in a coordinating function to bring the best-in-class to the fore and facilitate the steps necessary to exploit the revenue-improving and cost-reducing commercial practices (Recommendation 3.6).

53. Further opportunities may be possible and, in some areas, sponsored museums may not be as effective as they could be. There may be benefits of taking on the risks of running some of these operations directly. Two museums told us that they were considering bringing food and beverage back in-house due to the limited returns they were receiving through contracting out and there appears to be

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54 Where there are any differences between the guidance and the legislation, the legislation takes precedence.
substantially different profit margins between museums for the same or similar services contracted out, often to the same private providers. Three private providers deliver the cafes to 10 of the 13 national museums, but the returns for these services varied considerably. Generally, the larger museums were able to secure better terms than the smaller ones. Even some of the larger museums appeared to have less favourable terms than comparable organisations. It is worth pursuing further both the benefits of bringing certain commercial operations in-house and whether some form of group procurement might be beneficial, securing more income and a higher percentage of takings.

Another area where potential opportunities were identified is online sales. We consider that there are potential opportunities from such sales to improve customer service, reduce costs and increase revenue. 15 ALBs have an online shop and there are online exhibition and event ticket sales. Online sales have the added advantage of being able to track attendees and to plan for events (scale, timetable and staggering attendance etc). Those with established brands appear to be seeing the rewards, citing increased activities particularly in the run up to Christmas, and for major exhibitions, with ‘dynamic’ pricing. The V&A won best website at the International Design Communication Awards in 2016. After an overhaul of its website which is now much more user friendly, the exhibition tickets and the online shop are now integrated. Customers use one online basket for both activities and, when buying tickets for an exhibition, are able to purchase relevant merchandise. Some museums appear to not yet have maximised returns, given the considerable investment required to set up e-commerce and keep it up to date. Neither the museum websites, nor the mechanism for processing orders were always able to deal adequately with requests, especially with peaks in demand, and in relation to what many customers now expect in terms of online deliveries from major online stores, such as Amazon or eBay. We heard anecdotal evidence in at least one museum whereby on receipt of an order, a member of staff physically retrieves the item from the onsite shop and posts it themselves. Some larger museums have products on Amazon or other online shops to address this, but the costs of doing so have precluded most of the smaller museums. Some

Notes:
1. Commercial activities include trading income, income from commercial activities and other trading activities.
2. Other includes income from Lottery, Charitable activities and other income.
physical visitors, especially from overseas, benefit from opportunities to have courier services so that purchases can be posted home or to friends and relatives. There are also opportunities for the national museums to offer services to other museums, which can contribute to economies of scale, such as the British Museum providing goods to the St Alban’s Museum shop.

55. The benefits of improved commercial operations are not equally distributed. The significant variances are due to long and independent development that have evolved distinct differences between organisations. Whilst this needs to be better understood it is also found that, with the exception of Science Museum Group, those museum sites located primarily out of London and smaller museums appear to find it more difficult to generate commercial revenue (see Chapter 4). Some museums have found it difficult to invest in commercial operations due to needing different or additional resources or expertise, high start up costs or to secure as extensive a range of benefits as the larger museums, with the biggest brands. All of these variances need to be explored, and learning shared, in order to identify best practice that can be interpreted for varying operational conditions and effectively applied (Recommendation 3.6 and Recommendation 4.7B).

Smaller museums

56. It appears easier for larger museums to call upon specialist expertise or resources, and to have greater bargaining power, in negotiations with contractors and suppliers. Some of the smaller ones often have a small team covering a number of different functions (e.g. IT, digital, HR, and finance) and in some cases several functions sit with a single director. Likewise in procuring specialist support, training or advice the costs of this can be considerable for one organisation. This can reduce resilience and be a considerable burden, putting pressure on certain key individuals and/or processes and not allowing differentiation of functions. The DCMS, HM Treasury and Cabinet Office requirements that might be acceptable for some of the larger organisations to meet might be disproportionate to a smaller organisation, especially where they receive a substantially smaller amount of GiA.

57. There appear to be advantages of smaller museums working more closely or sharing services together, especially in back office and support functions, but also potentially curatorial expertise and senior executive too. A number of the smaller museums have reported problems in recruiting people with the right skills and experience to key posts. It would be helpful to explore possible joint appointments (and the appetite for it), where they might be able to attract higher quality candidates and possibly pay a higher salary to do so. DCMS should work with the smaller museums to consider such proposals to strengthen capability, share learning, and ensure that procedures and processes are robust, with sufficient checks and balances. In their important roles as leaders, the larger national museums could do more to support and coach smaller national and non-national ones, potentially offering resource on a shared services basis. We found excellent examples of executives from larger museums acting as trustees, mentors or coaches for executives for smaller museums and offering them guidance and input on key issues and would welcome seeing more of these and similar initiatives. (See also Chapter 5 on governance. Recommendation 5.3 applies particularly to the smaller museums.)

58. Overall, and especially for improving the effectiveness of the smaller museums, we think it would be helpful to investigate some issues further through a Shared Solutions project (Chapter 4 and Recommendation 4.7). Working closely with museums who agree to be part of the project, we will consider:
   a. staffing structures to ensure that they have the right number of staff employed in the right areas and that the costs of these staff are appropriate
   b. the extent to which sponsored museums need to have efficient and effective information technology, human resources, financial and commercial teams with sufficient capability and capacity to deal with a wider range of issues, and to have robust and rigorous, yet proportionate, procedures and processes to deal with technical, sensitive and security concerns; and
   c. how best to strengthen these capabilities within our smaller ALBs and working with them will develop plans for sharing learning, information, training and potentially resources.
The Royal Armouries

59. As well as issues related to the resilience and effectiveness of our smaller ALBs, we identified two further limitations to effectiveness. The Royal Armouries operates on a substantially different funding model to the other national museums. The Royal Armouries in Leeds was established in 1996 as a major new museum and partially funded by private finance. Royal Armouries is heavily reliant on GiA and limited in its ability to generate commercial income. In 2016/17 12.9% of its income came from commercial revenue, lower in both relative and absolute terms than any other national and substantially below any other multi-site museum. The Royal Armouries is restricted in its ability to generate commercial revenue at both its London and Leeds sites due to historic contractual arrangements. DCMS continues to work with the Royal Armouries to address these limitations to its operating models. By comparison, at its Fort Nelson site in Hampshire, where the Royal Armouries has full control of its commercial operations the museum has proven successful at generating commercial income, currently 28% of the museum’s total commercial income, with year on year growth, and despite the Fort attracting less than 6% of total visitors.

Seized!

60. Seized! The Border and Customs Uncovered is a collection sponsored by the Home Office, via Border Force. It is operated on a 20 year trust agreement by National Museums Liverpool. It would be helpful for Border Force to work closely with HM Revenue and Customs (the other donating department to the museum’s collection), National Museums Liverpool and other stakeholders (Home Office, National Crime Agency, DCMS and HM Treasury) to develop options for the museum post 2020. Running a collection is not a core activity of Border Force and we need to ensure that this museum, with much important outreach work, is sustainable and operates on the best model going forward (Recommendation 3.7).

Conclusions

61. The ALBs clearly demonstrate that they are individually delivering against their strategies and purposes, and contributing to a wide range of Government priorities and initiatives. Some museums appear more resilient than others, and better able to respond to changes in priorities and the fiscal environment. There are things that the sponsored museums can learn from one another and from other cultural organisations and public services, particularly around the sharing of resources and services. The national museums could work together more, and with the service museums and national museums in the devolved administrations, to effectively lead across the museums sector and to better coordinate activities (Recommendation 3.2).

56 See Chapter 4. A large donation to Royal Maritime Greenwich distorts the overall picture. The Wallace Museum is a single site museum. Royal Armouries has three sites.
Chapter Four: Enabling Efficiencies

62. This chapter considers what further work may be necessary to provide assurance that, as a group, the sponsored museums are doing all they can to maximise efficiencies. It does not analyse each ALB’s efficiency initiatives in detail.

Income

Exchequer funding

63. Government funds these ALBs to protect and provide public access to the permanent collections and preserve these in perpetuity. Since 2001, successive governments have committed to free access to the permanent collections. National museums that previously charged have been compensated for this. The department’s resource budget remains the same over the spending review period and this represents a 5% reduction to the resource budget by 2019/20 in real terms. At the last spending review, the 16 ALBs were collectively allocated a grant-in-aid (GiA) total of £435m for 2016/17, which made up 44.3% of their total combined income of £981.6m. The two ALBs that received the lowest percentage of their income as GiA were Royal Museums Greenwich at 13% and Tate at 24.8%. The two with the highest percentage of GiA were British Library at 79.6% (albeit with additional statutory responsibilities and less activity that it is allowed to charge for) and the Royal Armouries at 72.2%.

64. Whilst the sponsored museums have responded well to the reductions in GiA, compared to some other public sector organisations, the reductions in funding were not as extensive in either relative or absolute terms. We need to be clearer what income is required, why, what alternatives there realistically are, how the money will be spent and the impact for each museum individually and collectively. In order to prepare effectively, and to position sponsored museums as effectively as possible at the next spending review, it would be helpful to have a better understanding of the quantifiable and non-quantifiable benefits the sponsored museums bring, both directly and indirectly, and the variations in both income and expenditure. The sponsored museums and DCMS should work together, potentially through a project team or efficiencies board, to understand the outcomes and impact of the museums, in monetary terms, as well as the wider societal benefits (Recommendation 4.1).

65. The museums have reported that, especially since the EU exit referendum, they have seen a reduction in the availability of corporate sponsors, and the amount that some corporate sponsors will provide. This means that sponsored museums are trying to attract other income in an increasingly competitive market. A recent reduction in visitor figures, including for paid exhibitions, and changing composition of visitors (higher proportions of members, repeat visits and concessions), for some museums has also reduced related spend in shops, cafes etc. This reduction in potential income sources combined with the changes in the valuation of sterling; inflation, especially construction costs; increases in the minimum wage; and changes to business rates has put increased pressure on sponsored museum finances – it is

57 This figure is different to in the Mendoza Review as it incorporates the British Library but does not include DCMS funding for the National Coal Mining Museum for England, or as part of the DCMS/Wolfson Foundation Partnership, or funding from other Government sources such as VAT and gift aid relief, government indemnity insurance or grants from other departments such as the Home Office grant to National Museums Liverpool. Alternative government funding is included in other income.
58 The Royal Museums Greenwich figures are distorted by two large donations: heritage assets of £73.5m from the Ministry of Defence and £20.3m for the acquisition of the Armada portrait and capital works as part of the Endeavour project.
### Table: Sources of income for DCMS sponsored museums and galleries including British Library 2016/17

<table>
<thead>
<tr>
<th>Venue</th>
<th>Income £million</th>
<th>Percentage of total income</th>
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<tbody>
<tr>
<td></td>
<td>Grant in aid</td>
<td>Commercial activities</td>
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<tr>
<td>British Library</td>
<td>93.9</td>
<td>9.7</td>
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<td>British Museum</td>
<td>53.6</td>
<td>20.4</td>
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<tr>
<td>Geffrye Museum</td>
<td>1.7</td>
<td>0.3</td>
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<tr>
<td>Horniman Museum</td>
<td>4.5</td>
<td>0.0</td>
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<tr>
<td>Imperial War Museums</td>
<td>32.1</td>
<td>11.3</td>
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<tr>
<td>National Gallery</td>
<td>24.1</td>
<td>6.1</td>
</tr>
<tr>
<td>National Museums Liverpool</td>
<td>20.3</td>
<td>3.6</td>
</tr>
<tr>
<td>National Portrait Gallery</td>
<td>6.6</td>
<td>4.7</td>
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<tr>
<td>Natural History Museum</td>
<td>49.1</td>
<td>18.9</td>
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<tr>
<td>Royal Armouries</td>
<td>7.1</td>
<td>1.3</td>
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<tr>
<td>Royal Museums Greenwich</td>
<td>16.0</td>
<td>4.8</td>
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<tr>
<td>Science Museum Group</td>
<td>40.9</td>
<td>22.8</td>
</tr>
<tr>
<td>Sir John Soane’s Museum</td>
<td>2.0</td>
<td>0.7</td>
</tr>
<tr>
<td>Tate</td>
<td>40.3</td>
<td>38.7</td>
</tr>
<tr>
<td>The Wallace Collection</td>
<td>2.7</td>
<td>1.4</td>
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<tr>
<td>V&amp;A</td>
<td>40.3</td>
<td>18.5</td>
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</tbody>
</table>

**Notes:**
1. Commercial activities include trading income, income from commercial activities and other trading activities.
2. Other includes income from Lottery, Charitable activities and other income.
not always realistic to think that alternative income sources can necessarily be found to offset possible reductions in GiA. Some national museums consider they already receive less GiA than is required to deliver their statutory commitments. To support preparations for the spending review, it would help to review the current funding allocations to determine if any changes should be made to meet current needs and performance (Recommendation 4.2).

Other income

66. All ALBs are working to extensively increase income from non-GiA sources. Examples include:

- **Grants from funding bodies**: all.
- **Sale of services**: the Science Museum Group offers a consultancy service to museums and science centres both in the UK and internationally. This currently includes supporting the delivery of unique interactive galleries and strategic analysis of existing organisations to pinpoint opportunities and inform future planning.
- **Public-private partnerships (PPP) capital projects**: British Library’s development of land to the north of its St Pancras site.
- **Commercial activity**: shops, e-commerce, catering, venue hire.
- **Shared assets**: generating paid-for storage solutions.
- **Property disposals**: generating receipts to fund investment (subject to HMT).
- **Charging for the non permanent collection**: all. Temporary exhibitions, major events, premium tickets, membership schemes.
- **Licensing**: all.
- **Philanthropic income (trusts, foundations, corporates and individuals)**: all.
- **Tapping into government funding pots for other activities**: National Museums Liverpool received funding for House of Memories from Department of Health, the Liverpool Clinical Commissioning Group, and Health Education England, alongside a variety of other channels.
- **Franchising**: V&A franchise at V&A Dundee.
- **Endowments**: Wallace Collection has set up an independent trust to create an endowment of £20m by 2020/21.

67. There are some barriers to maximising self-generated income including:

- **Buildings** may not be configured in the best way to maximise footfall, secondary spend or make the most of opportunities to sell events space. The National Portrait Gallery is reconfiguring space to extend restaurant opening hours with a new entrance, and to allow two events to take place each night.
- **Sponsors/phlanthropists** are reluctant to be perceived as filling gaps left by cuts to GiA and generally want to support visible projects such as new galleries.
- **Need to invest in people** who can concentrate on commercial and other income generation. The Geffrye Museum was granted £507k from the Arts Council Museum Resilience Fund to improve commercial development, stakeholder engagement and audience and collections development.
- **Changes to visitor profiles** – in recent years there has been variability in visitor numbers and composition (more concessions and repeat visits by members) making the income from exhibitions and related products more uncertain. Combined with the time it takes to coordinate an exhibition, it is not able to quickly predict or respond to changing demands.

68. In 2004 the National Audit Office (NAO) published a report looking at how six national museums tackled income generation and how they could increase their income. This was followed by a Public

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Accounts Committee (PAC) hearing which concluded that the ALBs had done well but that there was scope for growth in self-generated income. Since that report, such income has risen steadily but even the larger museums and galleries are still heavily dependent on government support, especially those based outside of London. Given that the NAO’s survey was carried out over 10 years ago we think that it would make sense to revisit this research, including updating our understanding of the ALBs’ strategies for income generation, to identify trends and benchmark across the national museums, to incorporate the smaller and out of London museums and to pull out examples of innovative income generation that could benefit all museums (Recommendation 4.3).

**Reserves and endowments**

69. Collectively, sponsored museums have approximately £4.7bn in restricted funds, and approximately £2.7bn in unrestricted funds (excluding pension reserves), although approximately £2bn of the unrestricted funds are tied up in fixed assets and therefore not possible to be utilised easily. Nine of the national museums have endowment funds, totalling c£61m. Most sponsored museums were hugely positive about the benefits of the museums freedom enabling reserves to be built up and carried over, e.g. to help manage cash flow, but the museums need to be mindful. Charities in other sectors have been criticised for holding large amounts in reserve. We identified significant variations in the approach to the use of reserves and endowments, with the amount in unrestricted general funds varying from £0.3m (National Gallery) to £38.1m (British Museum; it should be noted £24.8m of this relates to investments).

70. Given the sponsored museums are registered charities, and money has been provided by public and private donations, combined with the fact that each has guaranteed income from GiA each year, all ALBs are encouraged to review their reserves and endowments policies. They should ensure they have a clear rationale for the different categories of reserves and plans for using them. In particular, in developing proposals and business cases for capital and other projects, the museums and DCMS should consider how best to use reserves and endowments, ensuring that these are being used appropriately. This may enable more targeted conversations between DCMS and the sponsored museums (Recommendation 4.4).

**Expenditure**

71. In 2016/17 the total combined expenditure by sponsored museums was £837m. The range of museum spend is broad: visitor services, exhibitions, collections management (including acquisitions, care of the collection and disposals), back office services, commercial activities, education and learning, research, digital services and capital repairs, refurbishment and developments etc. As the table overleaf indicates there are considerable variations between the different museums, both in how spend is categorised and in the proportions the respective museums spend. It is not possible to consider each area in depth. This section focuses on a number of areas where it may be possible to generate greater efficiencies and/or make the museums more effective, especially if the museums work collaboratively e.g. block procuring services or sharing certain functions.

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60 Restricted funds can only be used for particular purposes of a charity that are narrower than the overall charitable purposes of the charity. The Charity Commission, *An integrated approach to developing a reserves policy for a charity with more complex activities and structures*, Annex 2, [https://www.gov.uk/government/publications/charities-and-reserves-cc19/charities-and-reserves#step1](https://www.gov.uk/government/publications/charities-and-reserves-cc19/charities-and-reserves#step1)


### Table: Expenditure for DCMS sponsored museums and galleries including British Library 2016/17 (£000)

<table>
<thead>
<tr>
<th>ALB</th>
<th>Charitable Activities</th>
<th>Other Trading Activities/Commercial Costs</th>
<th>Raising/Donations &amp; Legacies</th>
<th>Other</th>
<th>Total Expenditure</th>
<th>Charitable Activities</th>
<th>Other Trading Activities/Commercial Costs</th>
<th>Raising/Donations &amp; Legacies</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>British Library</td>
<td>137,529</td>
<td>–</td>
<td>773</td>
<td>14</td>
<td>138,316</td>
<td>99.4</td>
<td>–</td>
<td>0.6</td>
<td>–</td>
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<td>1,422</td>
<td>9</td>
<td>99,805</td>
<td>87.9</td>
<td>10.7</td>
<td>1.4</td>
<td>–</td>
</tr>
<tr>
<td>Geffrye Museum</td>
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<td>–</td>
<td>344</td>
<td>–</td>
<td>2,253</td>
<td>84.7</td>
<td>–</td>
<td>15.3</td>
<td>–</td>
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<tr>
<td>Horniman Museum</td>
<td>7,231</td>
<td>–</td>
<td>703</td>
<td>–</td>
<td>7,934</td>
<td>91.1</td>
<td>–</td>
<td>8.9</td>
<td>–</td>
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<tr>
<td>Imperial War Museums</td>
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<td>6,347</td>
<td>3,686</td>
<td>–</td>
<td>56,127</td>
<td>82.1</td>
<td>11.3</td>
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<td>–</td>
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<tr>
<td>National Gallery</td>
<td>35,795</td>
<td>–</td>
<td>2,049</td>
<td>17</td>
<td>37,861</td>
<td>94.5</td>
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<td>59</td>
<td>21,042</td>
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<td>16.1</td>
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<td>79.3</td>
<td>17.0</td>
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<td>–</td>
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<td>0.1</td>
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<td>–</td>
<td>1,547</td>
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<td>–</td>
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<tr>
<td>V&amp;A</td>
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<td>78.8</td>
<td>13.5</td>
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<td><strong>637</strong></td>
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<td><strong>12.7</strong></td>
<td><strong>5.1</strong></td>
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### Table: Net cost of resources expended for DCMS sponsored museums and galleries including British Library 2016/17 (£000)

<table>
<thead>
<tr>
<th>ALB</th>
<th>Staff Costs</th>
<th>Direct Costs/Other Direct Costs</th>
<th>Grants made to other charities etc.</th>
<th>Depreciation/Amortisation/Impairment</th>
<th>Support Costs</th>
<th>Total Expenditure</th>
<th>Charitable Activities</th>
<th>Other Trading Activities/Commercial Costs</th>
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<td>British Museum</td>
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<td>99,805</td>
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<td>14.4</td>
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<td>Geffrye Museum</td>
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<td>77.1</td>
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<td>7.1</td>
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<tr>
<td>Horniman Museum</td>
<td>5,066</td>
<td>188</td>
<td>–</td>
<td>603</td>
<td>7,934</td>
<td>79.3</td>
<td>17.0</td>
<td>3.7</td>
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<tr>
<td>Imperial War Museums</td>
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<td>1,120</td>
<td>7,680</td>
<td>12,228</td>
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<td>20,275</td>
<td>–</td>
<td>4,359</td>
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<td>11.5</td>
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<tr>
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<td>6,609</td>
<td>26,151</td>
<td>29,581</td>
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<td>20.7</td>
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</tr>
<tr>
<td>National Portrait Gallery</td>
<td>11,407</td>
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<td>–</td>
<td>2,342</td>
<td>4,087</td>
<td>21,042</td>
<td>54.2</td>
<td>15.2</td>
<td>11.1</td>
<td>19.4</td>
</tr>
<tr>
<td>Natural History Museum</td>
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<td>–</td>
<td>10,686</td>
<td>17,310</td>
<td>89,750</td>
<td>46.6</td>
<td>22.3</td>
<td>11.9</td>
<td>19.3</td>
</tr>
<tr>
<td>Royal Armories</td>
<td>3,327</td>
<td>1,854</td>
<td>–</td>
<td>1,912</td>
<td>3,471</td>
<td>10,564</td>
<td>31.5</td>
<td>17.6</td>
<td>18.1</td>
<td>32.9</td>
</tr>
<tr>
<td>Royal Museums Greenwich</td>
<td>14,523</td>
<td>7,394</td>
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<td>5,258</td>
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<td>31,160</td>
<td>46.6</td>
<td>23.7</td>
<td>16.9</td>
<td>12.8</td>
</tr>
<tr>
<td>Science Museum Group</td>
<td>29,295</td>
<td>14,253</td>
<td>–</td>
<td>15,485</td>
<td>22,442</td>
<td>81,475</td>
<td>36.0</td>
<td>17.5</td>
<td>19.0</td>
<td>27.5</td>
</tr>
<tr>
<td>Sir John Soane’s Museum</td>
<td>1,478</td>
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<td>–</td>
<td>272</td>
<td>459</td>
<td>3,593</td>
<td>41.1</td>
<td>38.5</td>
<td>7.6</td>
<td>12.8</td>
</tr>
<tr>
<td>Tate</td>
<td>39,880</td>
<td>44,444</td>
<td>–</td>
<td>32,550</td>
<td>23,697</td>
<td>140,571</td>
<td>28.4</td>
<td>31.6</td>
<td>23.2</td>
<td>16.9</td>
</tr>
<tr>
<td>The Wallace Collection</td>
<td>3,304</td>
<td>1,634</td>
<td>–</td>
<td>891</td>
<td>1,103</td>
<td>6,932</td>
<td>47.7</td>
<td>23.6</td>
<td>12.9</td>
<td>15.9</td>
</tr>
<tr>
<td>V&amp;A</td>
<td>33,408</td>
<td>19,286</td>
<td>894</td>
<td>12,214</td>
<td>14,180</td>
<td>79,982</td>
<td>41.8</td>
<td>24.1</td>
<td>15.3</td>
<td>17.7</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>309,323</strong></td>
<td><strong>212,364</strong></td>
<td><strong>15,531</strong></td>
<td><strong>116,509</strong></td>
<td><strong>183,218</strong></td>
<td><strong>836,946</strong></td>
<td><strong>37.0</strong></td>
<td><strong>25.4</strong></td>
<td><strong>1.9</strong></td>
<td><strong>13.9</strong></td>
</tr>
</tbody>
</table>
Digital working

72. This review has not focused on digital delivery as the Digital Culture Project is looking at this across the cultural sectors. This section should be read together with ‘Digital Capacity and Innovation’ in the Mendoza Review which articulates the skills needed and challenges faced, by increased digital working, as well as benefits through increased impact of collections and audience development. Investment in these areas must be balanced against primary responsibilities of trustees for care of the collection and estate.

73. Whilst digital changes require investment in the short and medium term, they can increase income in the long term, reduce expenditure and have the possibility to generate efficiencies. Charities have realised numerous benefits of being online. The UK Business Digital Index 2016 published by Lloyds Bank found that, of the charities surveyed, almost half (47%) attributed increased donations to a stronger digital presence, 87% acknowledged time savings by going digital, and over half (52%) recognised cost savings. The 16 ALBs collate considerable amounts of data (e.g. visitor data, commercial data, funding data), which if thoroughly integrated (both within and between organisations) would provide an invaluable resource, such as constituting an intellectual property asset with commercial value. The National Gallery is spearheading work on improving digital capabilities across the museums sector, and recognises the need for research to extend beyond London.

74. Digitisation, in the context of collections management, describes a process where physical (or ‘analogue’) materials are converted into digital versions. It can enable the processing, storage and transmission of all kinds of information to be more efficient, reliable and standardised. Unlike analogue data, digital information can be stored and shared repeatedly and with less likelihood of degradation. Mass digitisation offers numerous potential benefits to society in academic and civic fields:

- Previously rare items can reach new audiences – valuable resources are more accessible to the public. Vital historical or cultural content is preserved against time, potential damage, and technological leaps making previous formats obsolete.

- Academics are supported in new, innovative education and research – digitised content transforms old materials, revealing previously undetected details. For example, in 2014 Imperial War Museums launched an interactive digital memorial ‘Lives of the First World War’, that connects Imperial War Museums’ digital collections and invites the public to add material from personal family collections. ‘Lives of the First World War’ forms a permanent digital memorial and enriches the collection, but also serves as a search engine for family history and service records. There are currently over 116,500 members, having contributed over 7.5 million life stories and remembering over 340,000 individuals who served in the First World War; and

- The British Library is a leader in the digitisation of print material and is working across the museum, library and higher education sectors to offer its expert services, based at its St Pancras and Boston Spa sites.

75. More can be done. As highlighted in the main review, leadership is key. To support the digitisation of collections and the use of digital technology to establish more efficient business models, it is vital that sponsored museums’ executive and non-executive teams possess digital expertise. Many museums, even nationals, are unable to pay salaries equivalent to those typical of the technology sector, and so it is imperative that digital resources are shared and maximised. Many of the larger organisations have partnered with tech companies to digitise their collections, and in some cases the physical buildings, mostly notably the British Museum and the Natural History Museum with Google Arts & Culture. Some smaller museums rarely have the resources to enter into such partnerships, and thus

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63 http://dcmssblog.uk/2017/04/cultureisdigital/. See also the Mendoza Review on ‘Digital capacity and innovation’.
65 https://www.bl.uk/digitisation-services/bulk-digitisation
miss out on opportunities to promote themselves, increase their outreach, and benefit commercially. The government-sponsored museums and others, e.g. major partner museums, could work together to harness these resources and potential benefits.

76. Regarding the efficiencies that more digital everyday working can realise, a key area to address is print media, especially promotional material and advertising. Some nationals remain dependent upon print material for invitations and documents e.g. annual reports. Notable cost savings appear possible. Royal Museums Greenwich actively moved towards operating digitally, reflected within its marketing strategy, ticketing operations, membership scheme, invoicing and recruitment. It estimates that going paperless at board and committee meetings alone has saved c£6k/annum. This is in line with wider government policy that pursues a ‘digital as default’ approach to publications and communications.

77. DCMS will develop a digital strand to the Partnership Framework. This will capture the complexity and appropriateness in digitising varied collections and learning from other sectors regarding the integration of digital technology into business models (Recommendations 4.5 and 4.7B).

Collections management and curatorial services

78. This is a core element of each museum’s activity and involves the acquisition, display, preservation, storage and disposal of objects in the national collection. Echoing findings in the Mendoza review, there is considerable potential for greater efficiencies to be made in collections management where this is applicable and advantageous, but this is a complex issue and would not be appropriate in all cases. The collections each museum has are specific, often unique requirements. Some require sensitive conditions, security or safety aspects that need to be taken into consideration.

79. The annual accounts for 2016/17 show the museums collectively spend £259.8m on collections management, which accounts for 31% of their total spend (Appendix B), with percentages ranging from 12% to 62%. In most sponsored museums it is by far the largest element of single expenditure. Whilst it is difficult to make generalisations, those museums dealing with art (galleries) typically spend less (14-25%), with those that deal primarily in objects spending considerably more (15-62%) and most of the largest more than 40%. Smaller museums tend to spend less in both absolute and relative terms (11-24%), as do museums based primarily outside of London (15-27%) (Appendix B).

80. Some national museums already work well to utilise shared storage solutions. Royal Museums Greenwich shares a purpose built facility at Chatham Historic Dockyard in partnership with Chatham Historic Dockyard Trust and the Imperial War Museums. The site is accessible for researchers and the public. National museums work together to consolidate the collections together wherever possible. The Imperial War Museums often give live weaponry to the Royal Armouries, which is better placed to store it securely, and has film storage arrangements with the British Film Institute. Tate, the National Portrait Gallery and the Wallace Collection share storage space. The Science Museum Group has transferred part of the Royal Society’s Photographic Collection to the V&A. Whilst admittedly collections vary widely, and many require specialist or secure storage, there appear to be potential opportunities that are not being realised. Royal Museums Greenwich has noted problems in securing take up from other museums and other partners to utilise storage space and conservation services at its Kidbrooke site.

81. Shared storage is not, though, always the answer. Many objects require specialist storage e.g. at a set temperature or in certain conditions, or require access by specialist researchers, such as the V&A’s textiles collections within the Clothworkers Centre at Blythe House. Access for museum staff and researchers is important, and there can be considerable disadvantage to having a collection, especially one that is not catalogued, off site. The British Museum, V&A and Science Museum Group have recently received public funding to vacate Blythe House, the former site of the Post Office Savings Bank in

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67 Expenditure categories are not directly comparable, as what Arms Length Bodies incorporate as collections management varies. For example, some incorporate research and/or learning costs.
Strategic review of DCMS-sponsored museums

West London, and to develop modern and more suitable facilities to meet the unique, and sometimes competing, needs of their different collections and foster new partnerships. Collections are not static and have changing requirements, especially to preserve fragile objects. One museum advised that at one point less than 1% of the collection was stored in suitable conditions, but proposals will increase this to over 80%. The British Library receives a significant proportion of overseas titles distributed in the UK, and has a programme for content acquisitions. It adds some three million items to its collection every year. It requires over 625 km of shelves, and grows by 12 km every year. It needs to have flexible and rapidly changing stores that can respond appropriately.

82. There can be ‘joint’ or wider societal benefits of combining proposals with other cultural or local developments e.g. regeneration programmes and partnering with other museums, universities and others. The Science Museum Group, for example, is hoping to expand storage at its Wroughton site, including incorporating a range of museum and public sector partners. National Museums Liverpool has a strong working relationship with Liverpool John Moores University. The British Library is proactively developing a range of options for its Boston Spa site, which would reconfirm it as a centre of excellence in physical and digital collection management, and which could potentially offer shared services, including collection management and storage, to the wider sector.

83. There does not appear to be a correlation between either the total size of the collection, the amount of the collection on display and the amount and proportions spent upon its management (Appendix B). In some museums a relatively small amount (less than 1%) of the collection is on display, accessible for research or in open stores available on request. It appears at face value that the costs of storing some items, which may rarely or never go on display (because they are in such poor condition, they are not appropriate for long term display or there are better examples), are costs that should be minimised. For example, we were told of one museum that has an artwork by a famous artist purchased 80 years ago that has not been displayed since it was acquired. Some objects within museum stores have not yet been formally catalogued. As well as the costs of storing there is the potential contribution if some objects were sold that could be utilised for the benefit of the remaining collection and becoming more accessible to the public by being displayed elsewhere.

84. **Disposals** consist of selling or gifting objects to other organisations and destruction. Museums can also transfer or loan objects temporarily. We heard much evidence of concerns about disposing of the collection, not least due to the effort of determining if an item could be disposed of, the burdensome restrictions placed on some national museums by legislation and public and media scrutiny if an item was disposed of. As the Mendoza review recommends for all museums, it is important to have an active programme of assessing and, where appropriate, rationalising their collections. Whilst maintaining the national collection in perpetuity is a key tenet of each of the national museums and the British Library, even the trustees of these ALBs should consider transfers or disposals, given the size of many of their collections and the increased likelihood of duplicates. Loaning or gifting to other museums may substantially enhance those collections, and improve the public offer and access for researchers, whilst not materially affecting the national collection, and may enable funding to restore or repair an artefact.

85. The barriers to disposals may be less than those currently envisaged by some ALBs. With the exception of the Imperial War Museums and Royal Museums Greenwich, it appears that museums are interpreting legislative requirements in a much stricter sense than necessary. The legislation in fact covers most possible options for disposals and transfers from the national museums. It would be helpful to review further and consider what else might be possible, to facilitate appropriate disposals or transfers, where these benefit the collection and British public. This is clearly a sensitive issue, but it is difficult to see how effective collections management can be truly effective and efficient, without some disposals.

68 Disposals of parts of the national collection can receive considerable interest. See for example, http://www.museumsassociation.org/museums-journal/news/23082017-national-railway-museum-in-disposal-controversy?dm_i=2VBX,J16F,5B0RC2,1ZMCF,1
Asset and estate management

86. There are benefits to a collective and long term consideration of the estates and assets of the sponsored museums. On the one hand, we have seen evidence of objects being damaged and concerns about safety for the public and the staff. We heard of a staff block at one museum that had recently been closed due to safety concerns and we saw where paintings had been removed from a gallery due to water damage and problems with environmental conditions. At one museum, an entire gallery was closed recently due to water ingress and damage to the roof. At the 2015 spending review, the museums collectively identified £142.9m for 2016/17 to 2020/21 in urgent or pressing maintenance repairs, although this may have been cautious or an underestimate, and does not include desired improvements. In 2016/17 £30.5m was provided and £85.1m forecast for 2017/18-2019/20.\textsuperscript{69} Many of the museums occupy listed buildings, meaning repair works are not only costly, but needs to be undertaken sensitively, conserving the fabric of these historic buildings. HM Treasury and DCMS need to think seriously about how they can best support the museums to address these concerns, which endanger collections and potentially staff and visitors.

87. Knowledge gathered from a number of museums has identified an issue with allocating funds towards front-of-house operations instead of the fabric and back-of-house functions. Quite often those providing donations or funding from arts, culture and heritage sources or corporate sponsors will only allow capital expenditure to be allocated to public facing elements. The lack of sufficient maintenance of building fabric and services, offices and other non-public facing operations is creating significant risks. These risks represent an underfunding of the infrastructure and operations which have the potential to materially and adversely affect otherwise efficient operating models. It is difficult to determine how significant efficiencies can be made or money invested elsewhere until more of this critical work is done. The sponsored museums need to reconsider what can be funded from reserves, endowments or other funding.

88. Assets and estates offer potential opportunities. The museums need to have active estate management strategies. This might include potentially leasing or selling assets for other purposes or ‘invest to save’ measures whereby an asset is utilised in different ways. The Science Museum Group, for example, has taken forward a number of interesting proposals recently, such as the sale of some land to a local developer or the lease of a building to a complementary local public sector organisation. Government needs to consider how to make this as easy as possible e.g. by simplifying and speeding up the process to retain receipts, especially through sales or leases to other public sector bodies or providing tax relief or other incentives for maintenance and capital works (Recommendation 4.6).

89. To sum up, there are various issues to explore further in relation to collections and asset management. Working closely with museums who agree to participate in our Shared Solutions project, we will consider:

- approaches to collection and asset management, to ensure that public access is maximised, that items are appropriately stored, and that areas for further efficiencies or shared solutions are identified
- how sponsored museums can jointly make better use of their estate – e.g. where appropriate, sharing exhibition space and resources, or storage space or resources on either a short-term or long-term basis
- new investment and funding models that better balance expenditure on revenue-generating activities and the supporting back-of-house facilities/functions; and
- potential partnering with other public and cultural sector organisations, not least the MoD-sponsored service museums and other major cultural organisations that are located nearby (Recommendation 4.7).

\textsuperscript{69} Spending Review 2015 budget allocations are historic and allocations are updated annually to reflect updated funding requirements notified by ALBs.
Shared services

90. We considered the issue of shared services for smaller museums in Chapter 3. While all the museums said that they tried hard to seek out efficiencies, it was argued that sharing traditional “back office” services such as finance, information technology and human resources were not where significant gains could be made. As a percentage of total spend, “back office” activities are far less than the costs associated with collections and estate management. The museums describe expenditure in different ways but staff costs and back office/support costs appear high proportions of spend in the smaller museums.

91. The main area where long-term efficiencies might be achieved was in functions specific to museums: namely shared collections management (storage, conservation and digitisation). The British Library, Natural History Museum, Royal Museums Greenwich and Science Museum Group, for example, were all prepared to partner with national, regional and local museums in this space but a culture of independence amongst the nationals and other bodies often got in the way. As with proposals for collections management, a number of ALBs noted that natural partners for shared services were not necessarily other ALBs, or indeed other museums. Geography and the type of service being shared can be more important than the status of the organisation.

92. Discussions with a number of ALBs has indicated that other operational areas might benefit from a centrally managed shared services approach. Aspects of facilities management, procurement and catering, and perhaps security, have key components that could be managed more efficiently and cost-effectively from a central controlling and coordinating function. Centralisation may enable the ALBs to better focus on delivering core objectives whilst enabling a dedicated and specialist management team to better procure and manage significant portions of the ALBs’ supporting services. The Shared Solutions project should consider these issues and potential options (Recommendation 4.7C).

Efficiency returns

93. All sponsored museums have committed to making a 1% efficiency saving for each year of this spending review period to invest in frontline delivery and reporting on progress to DCMS since then. This equates to almost £10 million/annum that has been reinvested in frontline services. This is a good start to making these ALBs as efficient as they possibly can be and enables good benchmarking across the 16 organisations to determine where the best efficiencies are. We would like to see the museums providing more detailed returns, being more ambitious and striving for at least 3% by the next spending review. This would be equivalent to almost £30 million/annum of income by the end of the spending review period (Recommendation 4.8).

Conclusions

94. The sponsored museums have gone a long way to making efficiencies and are continuing to do so, but there appears the potential to do more. We do not see the scope of significant savings in traditional “back office” functions; such savings have already been made and further options are limited. In other areas though, such as increasing commercial and procurement activity (chapter 3), digitisation, collections management, especially disposals and transfers, and asset management there appear potential opportunities. DCMS will work with an agreed cohort of museums to scope and test/pilot ideas to better determine the likelihood of success.
Chapter Five: Refreshing and revitalising the relationship between DCMS and the ALBs

This chapter considers the relationship between DCMS and the 16 ALBs and how their performance is monitored. In a standard tailored review, this chapter would assess an ALB’s compliance against Cabinet Office guidance on governance arrangements. We have not done that as, given the context and scope of this review, it would not be proportionate to do so.

DCMS sponsorship model

A DCMS team manages day-to-day contact and relationships with the ALBs; each has at least two day-to-day contacts (sponsors). DCMS and each ALB agree a management agreement, which sets out the ministerial priorities and objectives it must deliver. DCMS takes a risk-based approach to engagement and oversight. The level of risk an organisation poses influences the level and regularity of formal contact. Risks are considered within a framework of “proportionality” and the principle of museums operating at “arm’s length”. A departmental ALB Risk and Governance Board has oversight of the risk management process and seeks assurance that risks are being identified and managed appropriately. When required, risks are escalated from the Risk and Governance Board to the DCMS Executive Board.

Museum staff raised the following points about how the relationship with DCMS could be made better:

- there needs to be lower turnover of staff, especially in the sponsor, finance, appointment and cultural diplomacy teams, to ensure better continuity and to develop more detailed knowledge of ALBs
- increased knowledge of the museum sector, and specific museums
- greater understanding between the museums and DCMS on approaches to risk and risk management, including the sharing of risk registers
- engagement meetings tended to focus on operational details and process rather than policy and strategy; and
- bureaucracy and reporting were too onerous and disproportionate.

More broadly, in 2016 a NAO study of ALB/government relationships and a Public Accounts Committee (PAC) enquiry both found that there was a variation in the effectiveness of sponsorship relationships across Whitehall and that each department operated differently. The DCMS approach was considered broadly appropriate, but the NAO and PAC found examples more widely of unclear accountabilities, responsibilities, and cost inefficiencies, due to disproportionate oversight and missed opportunities to share skills and expertise and maximise the quality of services delivered.

Over the past twelve months and since the start of this review, the DCMS sponsor team has listened to feedback from the ALBs about how things were working and what could be improved, and pursued some actions. This has included setting regular engagement meetings which cover a broader range of issues, including policy and strategy considerations. The sponsor team has been reconfigured to ensure

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70 This includes feedback from the Mendoza review and as part of the gap analysis DCMS undertook of its relationship approach and Cabinet Office, Partnerships between departments and arm’s-length bodies: Code of Good Practice (2017).

that more than one person has a relationship with each museum to build resilience and continuity. This has been difficult due to natural churn, needing to prioritise resources, including to support both museum reviews, and staff development. The team will continue working with each museum to better understand their individual concerns and ensure that sponsorship emphasises a proportionate, risk-based, proactive partnership approach. The sponsor team is working more closely with teams across the department to bring other relevant colleagues into conversations. This fits with the recommendations in the Cabinet Office’s Code of Good Practice, and subsequent departmental work more broadly, in understanding and improving sponsorship. Feedback has largely been positive, with the ALBs viewing these changes as beneficial and helping to improve understanding and relationships, but there is more progress to be made (Recommendation 5.1).

Management agreements

100. Whilst the ALBs are operationally independent, setting their own strategy and making their own curatorial decisions, as publicly funded organisations they agree with DCMS a series of priorities, targets and performance measures set out in their management agreements with DCMS. Management agreements effectively set out contracts between DCMS and each ALB, articulating what each is expected to achieve in exchange for grant-in-aid, which is discussed at regular engagement meetings. ALBs publicly report on their performance in annual reports and accounts laid before Parliament each year.

101. The management agreements (Part A) include agreed ministerial priorities and performance indicators for each organisation but DCMS does not have targets or controls if these are not delivered. The indicators are intended to demonstrate some key activities that ALBs undertake and to enable comparison between them. DCMS publishes performance indicators and charitable giving indicators for the 16 ALBs annually as Official Statistics. Data in relation to visitor numbers, one of the key indicators, is published monthly. ALBs also report on performance as part of their annual reports (see Appendix C).

102. The indicators have not been reviewed for some time and the following shortcomings have been identified:

- the aggregated statistics have some value in demonstrating return on total investment but are not particularly useful in terms of comparing one ALB with another as the organisations are so different. The indicators do not promote improvements and take no account of the nature of an ALB’s collection, the scale of its operation, operating models, fixed costs and its reach
- raw data is unsubtle and needs nuancing at individual museum level to tell a more accurate story
- visitor numbers do not capture the difference between contact, engagement and learning – i.e. the impact on the visitor, nor levels of satisfaction
- there is a real gap in terms of qualitative indicators that measure the reach and impact of the ALBs across England; and
- there is some duplication across indicators and all the data is not captured in one place (i.e. one publication).

103. A review of the management agreements may be one way of ensuring that performance indicators are the right ones, measuring the right things; that the performance of the museums is as good as it can be; and that, where necessary, improvements are being made. Indicators should chime with priorities identified in the Mendoza Review around good governance, accountability, leadership, partnerships and the quality of the visitor experience. It may include the consideration of targets which have proven effective for the sponsorship of some other departmental ALBs (Recommendation 5.2).

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**Governance**

104. Strong corporate governance is central to the effective operation of all public bodies and to enable sponsors to take a more hands-off approach to the relationship with their ALBs. Cabinet Office guidance on tailored reviews\(^76\) identifies five broad areas of good corporate governance, each of which covers a number of principles with supporting provisions. These five areas are: accountability, roles and responsibilities, effective financial management, communications, conduct and behaviour.

105. In recent years, DCMS has not carried out an assessment of corporate governance in the 16 ALBs. While it would have been disproportionate to do so for this review, it would be helpful for each museum to do so as a self-assessment, the outcomes of which can help inform improvements to sponsorship arrangements. In particular, DCMS would like to see an assessment of measures and improvements in relation to anti-fraud. There have been significant spikes in identity, financial and online fraud and concerns about cyber security, with organisations across the public and private sectors being vulnerable to such incidents. It is paramount that ALBs have sufficient mitigations in place. The Cabinet Office Fraud and Error Centre of Expertise can support sponsored museums in reviewing self-assessments and advising them on improvements (Recommendations 5.3, 5.4 and 5.5).

**Conclusions and reflections**

106. Whilst progress has been made in the relationship between the department and the 16 ALBs, further improvements can be made. Sponsors will work with their museums in the assessment of corporate governance. In some areas there could be greater alignment between the priorities for the sector that have emerged from the Mendoza Review and the published performance indicators and the management agreements. The Mendoza Review also makes a number of recommendations for DCMS which should further assist in developing this relationship.

107. We understand this review is the broadest tailored review ever undertaken. We appreciate there is a large number of recommendations, and some require additional resources. The sponsored bodies and DCMS will need to work together to prioritise those that will have most impact and agree the timetable for delivery. Some issues and recommendations may be pertinent to one or more ALB and not to others. This has meant we needed to make generalisations, sometimes going into less detail than for a single body, or as in Chapter 5 take a different approach. Whilst, in a small number of areas activity of the 16 ALBs could be more joined up, or more achieved by modifying the current approach taken, overall we hope you agree that we have illustrated the immense breadth, depth and importance of the work the sponsored museums undertake, and in support of a large number and range of government priorities.

108. During the early stages of this review Martin Roth, who sadly died in August 2017, former Director of the V&A, commented to the lead non-executive director, Neil Mendoza, on the immense value, importance and impact of our national museums. Having worked both in Europe and in the USA, Martin was eager to point out that the British system of arm’s length control by government was the best system that he had encountered for managing national museums. He felt strongly that this meant that the influence of politicians, civil servants and donors was kept to a minimum and that the independent trustees were truly able to exercise their duties and respect the boundary between the board and executive responsibilities.

\(^76\) https://www.gov.uk/government/publications/tailored-reviews-of-public-bodies-guidance
## Appendix A: Consideration of alternative delivery models for our ALBs

<table>
<thead>
<tr>
<th>Delivery Model</th>
<th>Suitability for DCMS-sponsored museums</th>
</tr>
</thead>
</table>
| Bring into central government        | • It is not appropriate for government to run museums’ operational functions directly, not least because of the importance of curatorial independence. As organisations that look after the national collection in perpetuity, they need to be separate from government in order that the collection is not utilised for political purposes.  
  • Some bequests and legislation prohibit bringing into central government.                                                                                                                        |
| Delivery by executive agency         | • This would have similar effects to bringing the functions into government.  
  • There are no benefits accruing either to DCMS or the ALBs to justify the costs of structural change (including an increase in the numbers of civil servants and implications for pension costs).  
  • ALBs would have fewer freedoms than currently, e.g. freedoms in relation to use of reserves, opting out of the pension scheme or public pay cap would be lost.  
  • Executive agencies are usually created from within departments with responsibility for undertaking executive functions. All 16 ALBs predate DCMS. Not appropriate for cultural institutions which must carry out specialist functions with political impartiality. DCMS’ only executive agency, the Royal Parks, has recently become a public corporation. |
| Mergers of ALBs or functions         | • Trustees would need to agree any merger was in the best interests of the respective museums, collections and the public.  
  • Science Museum Group and National Museums Liverpool are excellent examples of how a brand can be strengthened and enhanced as part of a wider group, whilst still maintaining the individual identities of the organisations concerned.  
  • One of the greatest strengths of the museums is their different identities, cultures and brands. It is on these that their international success, reputation and credibility rests. The ALBs have distinctive brand recognition in the UK and abroad, which is important when it comes to generating philanthropic and charitable giving and commercial sponsorship.  
  • Each ALB has its own identity, rooted in the nature of their collections and the way in which they are interpreted and presented to the public. An early radio might be in the V&A to exemplify design; in the Science Museum to illustrate scientific advances; and in the Geffrye Museum to illustrate what a living room might look like in the early 20th century. The galleries may contain mainly “flat art” but their collecting and curatorial remits differ and do not overlap: the National Portrait Gallery deals with portraiture, the National Gallery with art in the European tradition before 1900, Tate Britain and Tate Modern with art post-1900.  
  • There may be advantages in merging functions or sharing of services such as cost savings and efficiencies from back office functions and executive salaries, or shared storage (see Chapter 4).  
  • Each ALB is situated in distinctive, often listed, purpose-built, buildings for exhibitions which would be difficult to convert.  
  • The majority of the ALBs have their constitutions enshrined in primary legislation which ministers lack the powers to amend without further primary legislation. If a board of trustees did recommend this it would need to have a strong case for benefitting both the collection and public, and would require legislative time to take forward. |
<table>
<thead>
<tr>
<th>Delivery Model</th>
<th>Suitability for DCMS-sponsored museums</th>
</tr>
</thead>
</table>
| Transfer to local authority                                                  | • The collections managed by the 14 nationals are held on behalf of the whole nation. Not appropriate to vest them in local authorities who are not accountable to Parliament.  
• Following the Government’s public bodies review in 2010-12 it was confirmed that the Geffrye and Horniman should remain sponsored by DCMS. The rationale for this remains unchanged.  
• In discussions around the devolution for Liverpool City Region, it was determined that whilst culture would be devolved, responsibility for National Museums Liverpool would remain with DCMS. The devolved administration would have a role in discussing priorities for National Museums Liverpool through discussions with DCMS and the museum, and would sit on panels to recruit a new chair and chief executive. It would be premature to comment further before considering how these arrangements have worked. |
| Fund via Arts Council England (ACE)                                           | • There are some potential advantages to this approach. ACE would be able to make decisions about the distribution of the “museums revenue funding pot” from government for the whole museums sector and national cultural institutions. ACE would take responsibility from DCMS for monitoring the ALBs’ performance. This model applied to funding changes to Tyne and Wear Archives and Museums in 2012 as it was already a Major Partner Museum and received ACE funding.  
• National museums receive most money from DCMS and are different to other cultural institutions, giving them a wider remit than ACE funding. For example, their proportion of income from government is much higher, they are prohibited from charging and have long term responsibilities related to protecting the national collection.  
• The national museums manage significant physical assets on behalf of the nation and are accountable to Parliament for so doing. This supports a more direct relationship with government.  
• Organisations funded by ACE bid on a three or four yearly cycle for investment. It would be difficult to place all the 16 ALBs on that footing particularly those that are most reliant on grant-in-aid – without long-term transitional arrangements to guarantee funding, which would mean that the ALBs would continue to be classified as ALBs with current controls applying. |
| Transfer out as independent charities contracted to manage collections and make them available to the public and researchers | • Three DCMS cultural ALBs have done this (Historic Royal Palaces, English Heritage and The Royal Parks).  
• Model prohibitively costly to implement for 16 bodies (for example English Heritage’s change of status involved an endowment of £80m) and relies on the presence of guaranteed income streams. English Heritage and Historic Royal Palaces charge for access and their models would not work without being able to do so. Government policy requires the national museums to offer free access to the permanent collections, which precludes consideration of this model. |
| Public corporation status                                                     | • Market test is that at least 50% of income must come from commercial revenue. No museums qualify as charitable income does not count.  
• Some DCMS-sponsored museums regularly receive less than 50% of their revenue from public funding, but no museum currently receives more than 26% of income from commercial income alone, and some substantially less.  
• Unclear if benefits greater than existing freedoms. DCMS will explore this with interested museums with proof of potential to consistently achieve at least 50% of their revenue from existing funding. (Recommendation 2.5) |
Appendix B: Size of DCMS-sponsored museum collections and the proportion on display or available on request

<table>
<thead>
<tr>
<th>Museum</th>
<th>Collection size (approx)</th>
<th>Collection on display (percentage)(^{77})</th>
<th>Amount and percentage of total expenditure spent on collections management and conservation (2016/17)(^{78})</th>
</tr>
</thead>
<tbody>
<tr>
<td>British Library</td>
<td>Over 150m items(^{79})</td>
<td>Over 90% of the Library’s collections are available to users through British Library services to researchers and readers.</td>
<td>£43.6m 31.5%</td>
</tr>
<tr>
<td>British Museum</td>
<td>8m</td>
<td>1% on display. Many items cannot be displayed due to light sensitivity or other protective conditions.</td>
<td>£46.2m 46%</td>
</tr>
<tr>
<td>Geffrye Museum</td>
<td>1,984</td>
<td>Due to a major transformation project ‘Unlocking the Geffrye’ the museum is due to close temporarily and redisplay the collection.</td>
<td>£0.5m 21.9%</td>
</tr>
<tr>
<td>Horniman</td>
<td>349,500</td>
<td>Varied. Some Galleries currently closed. Collections online</td>
<td>£1.8m 22.4%</td>
</tr>
<tr>
<td>Imperial War Museums</td>
<td>800,000</td>
<td>Varied due to galleries in use and exhibitions</td>
<td>£8.5m 15.1%</td>
</tr>
<tr>
<td>National Gallery</td>
<td>2400</td>
<td>55-60% usually. 100% available online.</td>
<td>£5.4m 14.1%</td>
</tr>
<tr>
<td>National Portrait Gallery</td>
<td>311,000 (11,000 primary, 220,000+ photographic and 80,000 reference)</td>
<td>60% of primary collection</td>
<td>£5.2m 24.8%</td>
</tr>
</tbody>
</table>

\(^{77}\) Information collated and correct in May 2017.

\(^{78}\) These figures are not completely comparable due to differences in how collections management is categorised. See also Chapter 4.

\(^{79}\) This includes published, written and digital content. As a legal deposit library for both print and non-print material, the British Library’s collection is perpetually growing. In 2016-17, the collection grew by 334,000 physical objects and 174,000 digital objects. The British Library harvested over 70TB of web content for the UK Web Archive in 2016.
<table>
<thead>
<tr>
<th>Museum</th>
<th>Collection size (approx)</th>
<th>Collection on display (percentage)</th>
<th>Amount and percentage of total expenditure spent on collections management and conservation (2016/17)</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Museums Liverpool</td>
<td>4m</td>
<td>0.57% More available for research or on request&lt;sup&gt;6&lt;/sup&gt;</td>
<td>£4.3m 14.5%</td>
</tr>
<tr>
<td>Natural History Museum</td>
<td>80m</td>
<td>&lt;1% on open display to the public &lt;br&gt;15% on display in the Darwin Centre, available twice daily &lt;br&gt;100% can be viewed by arrangement for research purposes. &lt;br&gt;23%+ on digital display</td>
<td>£37.3m 41.5%</td>
</tr>
<tr>
<td>Royal Armouries</td>
<td>136,225</td>
<td>Depends upon exhibitions and galleries in use</td>
<td>£2.9m 27.0%</td>
</tr>
<tr>
<td>Royal Museums Greenwich</td>
<td>2.5m</td>
<td>Depends upon exhibitions and galleries in use</td>
<td>£15.8m 50.7%</td>
</tr>
<tr>
<td>Science Museum Group</td>
<td>300,000</td>
<td>5%</td>
<td>£16.5m 20.2%</td>
</tr>
<tr>
<td>Sir John Soane's Museum</td>
<td>45,000</td>
<td>All objects either on display or available to view on request.</td>
<td>£0.4m 11.6%</td>
</tr>
<tr>
<td>Tate Group</td>
<td>77,500</td>
<td>Depends upon exhibitions and galleries in use</td>
<td>£20.5m 14.6%</td>
</tr>
<tr>
<td>V&amp;A</td>
<td>2.3m</td>
<td>25%</td>
<td>£49.3m 61.7%</td>
</tr>
<tr>
<td>The Wallace Collection</td>
<td>5,637</td>
<td>Depends on exhibitions and galleries in use, but bequest means no objects can leave the collection</td>
<td>£1.7m 24.1%</td>
</tr>
<tr>
<td>Collective total</td>
<td>Over 249m objects</td>
<td>–</td>
<td>£259.8m 31%</td>
</tr>
</tbody>
</table>

<sup>6</sup> A large amount of the National Museums Liverpool’s natural science collection is available to the public through the Clore Natural History Centre and visitors are able to book appointments to study specimens in the departments. The Maritime Archives is open to the public on Mondays and Tuesdays and visitors are able to access the archive collections to carry out personal study. This is currently closed until spring 2018.
Appendix C: Performance indicator information for the 15 museums for 2016/17

<table>
<thead>
<tr>
<th>Museum</th>
<th>Visitor figures</th>
<th>Fundraising Contributed income (£)</th>
<th>Unique website visits</th>
<th>Overseas visitors</th>
<th>UK loan venues</th>
<th>Proportion of visitors who would recommend a visit</th>
<th>U16 visitors</th>
<th>Facilitated and self-directed visits by visitors U18 and in formal education</th>
<th>No. of instances where U18 visitors participated in onsite activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>British Museum</td>
<td>6.23m</td>
<td>27.10m</td>
<td>30.86m</td>
<td>4.08m</td>
<td>156</td>
<td>96%</td>
<td>797k</td>
<td>271k</td>
<td>126k</td>
</tr>
<tr>
<td>Geffrye Museum</td>
<td>0.12m</td>
<td>0.38m</td>
<td>0.31m</td>
<td>0.02m</td>
<td>2</td>
<td>98%</td>
<td>18k</td>
<td>7k</td>
<td>8k</td>
</tr>
<tr>
<td>Horniman</td>
<td>0.78m</td>
<td>0.74m</td>
<td>0.56m</td>
<td>0.05m</td>
<td>21</td>
<td>96%</td>
<td>267k</td>
<td>37k</td>
<td>37k</td>
</tr>
<tr>
<td>Imperial War Museums</td>
<td>2.42m</td>
<td>9.80m</td>
<td>6.19m</td>
<td>0.93m</td>
<td>90</td>
<td>99%</td>
<td>513k</td>
<td>97k</td>
<td>81k</td>
</tr>
<tr>
<td>National Gallery</td>
<td>6.18m</td>
<td>11.16m</td>
<td>4.80m</td>
<td>4.00m</td>
<td>23</td>
<td>99%</td>
<td>400k</td>
<td>121k</td>
<td>12k</td>
</tr>
<tr>
<td>National Portrait Gallery</td>
<td>1.88m</td>
<td>5.29m</td>
<td>4.75m</td>
<td>0.83m</td>
<td>92</td>
<td>94%</td>
<td>156k</td>
<td>42k</td>
<td>4k</td>
</tr>
<tr>
<td>National Museums Liverpool</td>
<td>3.03m</td>
<td>9.34m</td>
<td>2.13m</td>
<td>0.42m</td>
<td>149</td>
<td>96%</td>
<td>519k</td>
<td>187k</td>
<td>191k</td>
</tr>
<tr>
<td>Natural History Museum</td>
<td>4.61m</td>
<td>6.38m</td>
<td>9.20m</td>
<td>2.56m</td>
<td>41</td>
<td>97%</td>
<td>1.1m</td>
<td>252k</td>
<td>30k</td>
</tr>
<tr>
<td>Royal Armouries</td>
<td>1.87m</td>
<td>1.21m</td>
<td>0.44m</td>
<td>1.25m</td>
<td>118</td>
<td>99%</td>
<td>541k</td>
<td>14k</td>
<td>238k</td>
</tr>
<tr>
<td>Royal Museums Greenwich</td>
<td>2.44m</td>
<td>10.98m</td>
<td>4.30m</td>
<td>0.76m</td>
<td>59</td>
<td>99%</td>
<td>537k</td>
<td>169k</td>
<td>124k</td>
</tr>
<tr>
<td>Science Museum Group</td>
<td>5.33m</td>
<td>19.32m</td>
<td>11.66m</td>
<td>1.67m</td>
<td>229</td>
<td>98%</td>
<td>1.6m</td>
<td>465k</td>
<td>813k</td>
</tr>
<tr>
<td>Sir John Soane’s</td>
<td>0.12m</td>
<td>0.86m</td>
<td>0.41m</td>
<td>0.06m</td>
<td>0</td>
<td>95%</td>
<td>6k</td>
<td>1k</td>
<td>0.2k</td>
</tr>
<tr>
<td>Tate Group</td>
<td>8.45m</td>
<td>69.78m</td>
<td>15.03m</td>
<td>3.96m</td>
<td>113</td>
<td>98%</td>
<td>591k</td>
<td>195k</td>
<td>359k</td>
</tr>
<tr>
<td>V&amp;A</td>
<td>3.44m</td>
<td>30.28m</td>
<td>12.59m</td>
<td>1.49m</td>
<td>263</td>
<td>99%</td>
<td>487k</td>
<td>115k</td>
<td>160k</td>
</tr>
<tr>
<td>The Wallace Collection</td>
<td>0.42m</td>
<td>4.23m</td>
<td>0.61m</td>
<td>0.17m</td>
<td>n/a</td>
<td>91%</td>
<td>22k</td>
<td>10k</td>
<td>12k</td>
</tr>
<tr>
<td><strong>COLLECTIVE TOTAL</strong></td>
<td><strong>47.3m</strong></td>
<td><strong>206.8m</strong></td>
<td><strong>103.8m</strong></td>
<td><strong>22.3m</strong></td>
<td><strong>1,356</strong></td>
<td><strong>97% (average)</strong></td>
<td><strong>7.5m</strong></td>
<td><strong>2.0m</strong></td>
<td><strong>2.5m</strong></td>
</tr>
</tbody>
</table>

81 The British Library has different performance indicators so data is not included here.
Glossary – key terms used in the document

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition as used in the document</th>
</tr>
</thead>
<tbody>
<tr>
<td>arm’s length body (ALB)</td>
<td>Generic term used in the report which refers to public bodies that have a relationship with government via direct funding or the appointment of board members</td>
</tr>
<tr>
<td>DCMS-sponsored or sponsored museum</td>
<td>A museum who delivers certain functions and government priorities set out in a management agreement in return for grant in aid funding from DCMS.</td>
</tr>
<tr>
<td>clustered review</td>
<td>A tailored review covering more than one non-departmental public body, executive agency or non-ministerial department</td>
</tr>
<tr>
<td>government-sponsored museum</td>
<td>A museum or collection sponsored by DCMS, MoD or the Home Office (or any other government department)</td>
</tr>
<tr>
<td>grant in aid (GiA)</td>
<td>Funding given by a department to an ALB in agreement for delivering certain services</td>
</tr>
<tr>
<td>management agreement</td>
<td>The agreement between DCMS and the museums which set out what the museums will do in exchange for funding (GiA) over the spending review period</td>
</tr>
<tr>
<td>main review/ Mendoza Review</td>
<td>The accompanying independent review of the wider museums sector, that was led by Neil Mendoza</td>
</tr>
<tr>
<td>MoD-sponsored museum</td>
<td>The three service museums that are sponsored by the Ministry of Defence (MoD)</td>
</tr>
<tr>
<td>national museum</td>
<td>The 13 museums that DCMS sponsors that are set in primary and secondary legislation. Where specified also includes the British Library.</td>
</tr>
<tr>
<td>non-departmental public body (NDPB)</td>
<td>A specific type of ALB. All “national museums” in this review are classified as NDPBs</td>
</tr>
<tr>
<td>non-national museum</td>
<td>A museum which is not a national museum. The two DCMS sponsored non-national museums are the Geffrye and the Horniman.</td>
</tr>
<tr>
<td>service museum</td>
<td>The three museums which represent the armed services and which are sponsored by MoD</td>
</tr>
<tr>
<td>spending review</td>
<td>The process government uses for determining budgets and funding for departments, ALBs and the wider public sector over a set period. The current spending review period covers four years 2016/17-2019/20.</td>
</tr>
<tr>
<td>sponsorship</td>
<td>The relationship between DCMS and the 16 ALBs. This is considered in chapter 5. This is distinct from commercial sponsorship, whereby other organisations provide funding or support in other ways.</td>
</tr>
<tr>
<td>tailored review</td>
<td>A review by a government department of a non-departmental public body, executive agency and non-ministerial department. These reviews aim to ensure public bodies remain fit for purpose, well governed and properly accountable for what they do. Guidance on what these reviews include is available at: <a href="https://www.gov.uk/government/publications/tailored-reviews-of-public-bodies-guidance">https://www.gov.uk/government/publications/tailored-reviews-of-public-bodies-guidance</a></td>
</tr>
</tbody>
</table>