

Local Authority Investment in Museums after a Decade of Austerity

An independent report funded by
the Esmée Fairbairn Foundation.

Authors:

Dr Bethany Rex,
Centre for Cultural
and Media Policy Studies,
University of Warwick

Dr Peter Campbell,
Department of Sociology,
Social Policy and Criminology,
University of Liverpool

Contents

01	Executive summary	03
02	Local authority supported museums and local government finance	05
03	Changes to museum and galleries spending 2009-10 to 2019-20	08
04	Changes to museum and galleries income 2009-10 to 2019-20	14
05	Key insights from stakeholder interviews on impact of change	18
06	Understanding the dynamics of decision-making	23
07	Conclusion and next steps	28
08	Appendix A: Calculating museum spend	30
09	Appendix B: Data availability	32
10	Appendix C: Spending data by local authority 2009/10 - 2019/20	34
11	References	35

Executive summary

The 2010s have been a decade of major financial change for local government, which have impacted significantly on museums. Local authorities have traditionally been one of the key sources of financial support for museums in the UK, but their role in the provision of museum services in towns, cities and villages is increasingly constrained.

A large, stylized graphic of the number '01' in a dark green color. The '0' is a thick, rounded shape, and the '1' is a thick, vertical bar with a small triangular cutout at the top. The graphic is positioned in the bottom right corner of the page.

The landscape of council funding has changed drastically since 2009/10; councils have less revenue available to fund local services and demand for those services has increased substantially. In this context, councils have had to take difficult decisions about how limited funding should be distributed, with many settling on museums and other forms of cultural provision as an area for cuts. Now more than ever, where a museum is located and the circumstances facing its parent authority go a long way to determining its future.

This report is based on a review of data from governments across the UK and interviews with museum professionals. It provides an up-to-date analysis of local authority spending on museum services and charts the decline in local authority investment in museums across the UK over the past decade. Our research demonstrates that across England, Scotland and Wales, the total amount of local authority funding going to museums has decreased in real terms by 34%, 23% and 31% respectively (data on Northern Ireland is limited). This covers all spending by local authorities on museums, including those directly operated by local authorities as well as independent trusts which receive financial support from local authorities. While museums in Scotland and Wales appear at first glance to have had lower levels of cuts than those in England, our data does not reflect the important role that Arts Council England investment plays in supporting English museums. There is no equivalent source of funding for museums in other nations of the UK.

Cuts in spending by local authorities have had a material impact on museums across the UK. Whilst there are regional and national variations in the funding picture, museums that receive local authority funding report a common set of impacts: reductions in opening hours; reductions in learning and outreach programmes; substantial staff cuts; loss of expertise; and in a limited number of cases, closure of entire museum sites as services are consolidated. Some museums located in historic buildings are at risk of being moved to cheaper sites, which could have implications for access whilst also endangering the future of these buildings.

Museums make a real difference in people's lives. As well as providing access to culture, history and science, they play a role as hubs at the centre of their communities. They support health and wellbeing; help to make better places to live, work and visit; and inspire people to engage with contemporary issues. These roles are all the more important as the UK seeks to recover from the Covid pandemic, and governments and funders must recalibrate funding to harness the sector's potential. The decline of regular revenue funding is a key concern for the sector. Many museums are struggling to manage the basic costs of keeping the doors open, engaging communities, maintaining their buildings and caring for their collections. Many activities are increasingly reliant on short-term project funding from other sources, such as philanthropy, trusts and foundations, academic partnerships and other government funds (such as NHS funding for health and wellbeing work). Whilst these funds are welcome,

they don't compensate for loss of core funding and are often short term and time consuming to apply for.

This report considers some of the factors that make museums funded by local authorities vulnerable to cuts. It recognises that funding decisions are complex and differ widely between locations – but it reveals some common factors, including: level of demand for a local authority's statutory functions, such as social care; political preferences within a local authority leadership; the extent to which museums can generate their own income; and the extent to which museums play a role in a local authority's wider social or economic plans. Museums that are able to navigate these factors are better positioned to avoid the worst cuts.

Although there is significant uncertainty about future funding for local authorities, what is clear is that in England the make-up of council funding will continue to shift away from core funding provided on the basis of spending needs towards a system where a council's capacity to raise revenue from council tax, business rates and other fees will increasingly impact on its ability to fund services locally. Scotland and Wales are not subject to the same pressures, but the overall trend in a decline in available funding is similar to England. The ability of local authorities to fund museum services will continue to vary which means continuing inequality in provision across the UK and within countries. Governments across the UK must engage with local authorities and the museum sector to ensure the long-term, high quality provision of museums.

Key findings

- Across the whole UK, local authority spending on museums and galleries declined between 2009/10 and 2019/20 by 27% in real terms from £426m to £311m.
 - In England, local authority expenditure on museums and galleries declined between 2009/10 and 2019/20 by 34% in real terms.
 - In Scotland, local authority expenditure on museums and galleries declined between 2009/10 and 2019/20 by 23% in real terms.
 - In Wales, local authority expenditure on museums and galleries declined between 2009/10 and 2019/20 by 31% in real terms.
 - The available data from Northern Ireland does not provide a figure for local authority spending on museums and galleries.
- Cuts in funding are having a material impact on the ability of museums to maintain basic levels of service. Museum leaders are particularly concerned about the loss of revenue funding which enables museums to open their doors and pay staff.
- There is substantial variation in the level of funding cuts between different local authority areas. Key factors underpinning decision-making on cuts include: pressure on local authority budgets from statutory services; political preferences within the local authority; ability of the museum to generate income or match-funding; and profile of the museum within the local authority.

Local authority supported museums and local government finance

How local authorities are funded profoundly affects museum services. This section summarises key changes in council funding and explains why services such as museums, which local government has no legal obligation to provide, are vulnerable to funding cuts.¹ It also briefly looks at how museum provision is structured across England, Scotland, Wales and Northern Ireland.

02

Council budgets come from four main sources: direct funding from national governments (central government grants), tax on commercial properties (business rates), tax on residential properties (council tax) and income from charging businesses and individuals for services (sales, fees and charges). Councils across the UK receive ring-fenced grants and core funding (revenue support grant) from governments, meaning that only part of the amount they receive is available to spend on services.

Since the beginning of the austerity programme, a cornerstone policy of the then coalition, now Conservative government, the local government finance system has undergone huge change. This is particularly the case in England - local government is a devolved matter for Scotland, Wales and Northern Ireland. UK government policy decisions over the past decade have meant local government has been the most squeezed area of all state activity under the austerity programme, experiencing funding cuts of 49.1% in real terms between 2010/11 and 2017/18 in England.² Far-reaching changes to the funding allocation system means levels of funding are decreasingly linked to each local authority's spending needs and the amount a council has available to spend is increasingly dependent on local circumstances. This leaves councils in more deprived areas more exposed to risk as they are less able to

raise funds locally, whilst facing greater demand for services.

Local authorities are increasingly reliant on local taxes and revenues and new grants made available for the delivery of specific priorities. Additional funding made available for councils is often available for capital investment only. The UK-wide Levelling Up Fund is a good example of this, placing an emphasis on the role of cultural assets in reviving places, acknowledging they can lead to 'economic and social outcomes'.³ However, the fund focuses on capital investment only (with a minor amount available for capacity building), leaving lasting challenges of core funding unanswered. This fundamental shift away from general-purpose grants coupled with increasing demand for services such as adult social care and housing have huge implications for discretionary services. Although local councils may recognise that discretionary services complement and support statutory services and may value their wider social and cultural value, with funding shortfalls estimated at £3bn+ for 2020/21 and £2.5bn for 2022/23, it is clear to see why these services are under increasing pressure.⁴ Against this backdrop, the stakes are high for museums that may have survived austerity and Covid, but are still vulnerable as councils struggle to identify other ways to make the required savings.

Local government is a devolved matter, leading to different choices on which services to prioritise and how public services are delivered in a context of austerity.

1 This section draws on: Studdert, J. (2021). 'Local Government Explained Part 3: How are councils funded?' <https://www.newlocal.org.uk/articles/council-finance-explained/>; Harris, T., Hodge, L. and Phillips, D. (2019). 'English local government funding: trends and challenges in 2019 and beyond' <https://ifs.org.uk/publications/14563> and Amin Smith, N., Phillips, D., Simpson, P., Eiser, D. and Trickey, M. (2016). 'A time of revolution? British local government finance in the 2010s' <https://ifs.org.uk/publications/8705>

2 Morse, A. (2018). 'Financial Sustainability of Local Authorities 2018. National Audit Office.' <https://www.nao.org.uk/wp-content/uploads/2018/03/Financial-sustainability-of-local-authorities-2018.pdf>

3 HM Treasury, Ministry of Housing, Communities & Local Government and Department for Transport (2021). 'Levelling Up Fund: Prospectus' https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/966138/Levelling_Up_prospectus.pdf

4 Ogden, K., Phillips, D. and Spiliotis, J. (2020). 'COVID-19 and English council funding: what is the medium-term outlook?' <https://ifs.org.uk/publications/15041>

The Barnett formula means that cuts in England have been replicated in the devolved administrations. However, administrations in Scotland, Wales and Northern Ireland were not required to make cuts in the same areas as the UK Government. While this has meant spending cuts have been less when compared to England, local authority spending on museums has still decreased significantly across the UK.⁵

There are significant differences between the UK nations both in the structure of local government and local authority museum provision. We outline the general picture here, while acknowledging that this will inevitably be partial.

England

- 700 local authority museums
- 64 former local authority trusts managing cultural facilities out of 343 local authorities⁶
- Local government divided into two-tier (county and district councils) and single-tier areas (unitary authorities, London boroughs and metropolitan boroughs); some areas have parish and town councils
- Museums are a ‘concurrent’ responsibility, meaning provision can be undertaken by either tier of local government

Wales

- 45 local authority museums⁷
- 22 unitary authorities plus ‘community councils’

Scotland

- 56 local authority museums
- 70 ALEO (Arm’s Length External Organisation) museums
- 32 unitary authorities plus ‘community councils’⁸
- Legislation requires local authority museums to be free⁹

Northern Ireland

- 20 local authority museums¹⁰
- 11 district councils (following reorganisation from 26 in 2014/15)

6 Community Leisure UK (2020). ‘The scale and reach of the Community Leisure UK trusts network’ https://communityleisureuk.org/wp-content/uploads/2019/12/trusts_infographic_1911_F.pdf

7 Welsh Government (2015). ‘Expert Review of Local Museum Provision in Wales 2015’ <https://gov.wales/sites/default/files/publications/2019-07/expert-review-of-local-museum-provision-in-wales-2015.pdf>

8 Museums Association Response to Scottish Parliament Local Government and Communities Committee – Covid 19 Call for Evidence (2020). <https://www.museumsassociation.org/scottish-plmt-local-govt-committee-covid-response6990/#:~:text=There%20are%2070%20ALEO%20and,significant%20impact%20from%20Covid%2019.>

9 Scottish Government (1887). ‘Public Libraries Consolidation (Scotland) Act 1887’ <https://www.legislation.gov.uk/ukpga/Vict/50-51/42/body>
10 Hull, D. and Wilson, J. (2015). ‘Measuring the performance of museums in Northern Ireland’ Northern Ireland Assembly, Research and Information Service Research Paper. <http://www.niassembly.gov.uk/globalassets/documents/raise/publications/2016/cal/1116.pdf>

Changes to museum and galleries spending 2009-10 to 2019-20

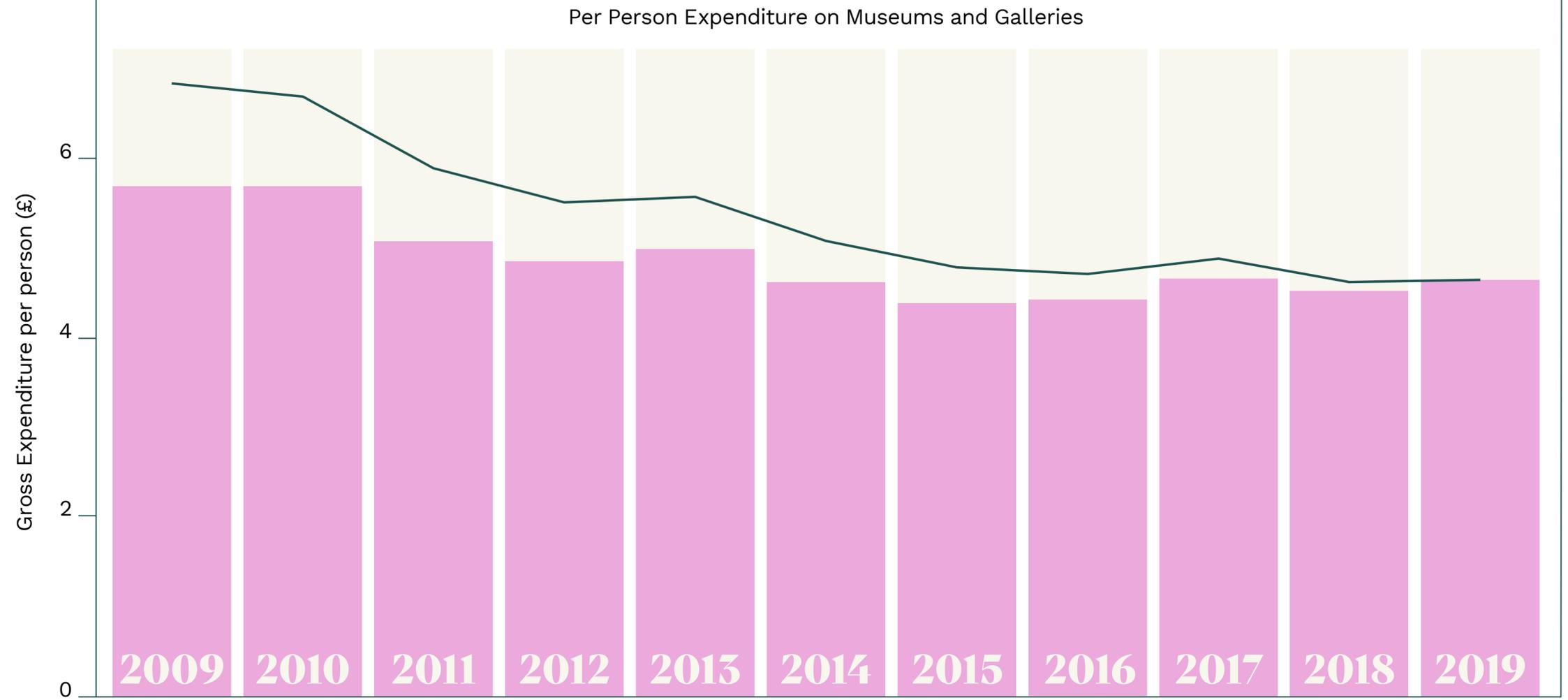
This section looks at how local authority spending on museums and galleries changed between 2009/10 and 2019/20: a ten-year period during which local government spending was substantially cut as part of a wider government austerity programme.

03

Gross expenditure on ‘museums and galleries’ by local authorities in nominal/cash terms declined from a UK average of £5.72 per person in 2009/10 (£6.85 in real terms) to £4.66 per person in 2019/20.

This represents an overall decline of 13% from £356m (a decline of 27% from £426m in real terms) to £311m.¹¹

Figure 1: Gross expenditure per person on museums and galleries 2009/10 – 2019/20



(BAR = Nominal/cash terms, LINE = Real terms (2019/20 £))

¹¹ The £311m figure is partly an estimate as data for Northern Ireland is not publicly available. See Appendix A and B for details on data sources and data availability.

Geographic variation in funding cuts

Although expenditure has reduced considerably, there is significant variation in levels of spending cuts. This variation is often obscured due to a tendency to quote average figures. The analysis below shows how the UK- wide expenditure and income trends relating to 'Museums and Galleries' are distributed across the English regions and Scotland, Wales and Northern Ireland.

Notably, changes in museum and gallery spending per person between 2009/10 and 2019/20 varied considerably between each of the UK nations and English regions. Table 1 shows a breakdown of changes in spending by region and by nation. Figure 5 shows these changes in graph form. In the English regions, there are roughly three groups of regions according to the size of the cut they made to museum and gallery spending during this period. The group making the biggest cuts saw an average cut of 47%, consisting of North East (45%), East Midlands (47%) and West Midlands (50%). The group making up the lowest cuts, Yorkshire and the Humber (19%), South West (18%) and East of England (24%), reduced on average 20%. In the middle are the North West (31%), London (34%) and the South East (33%), averaging spending cuts of 32%.

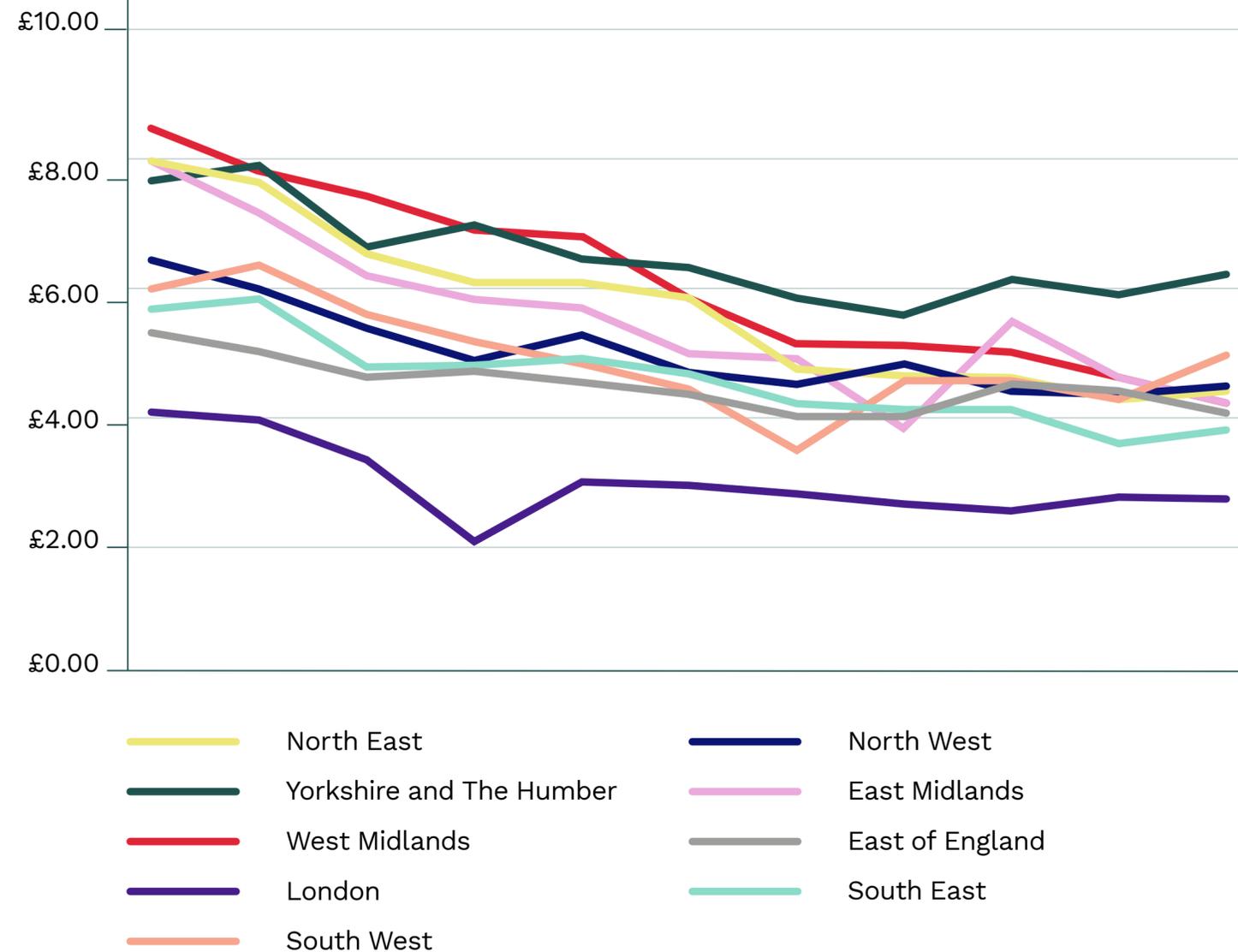
Table 1 also shows changes in spending by UK nation. It shows that local authorities in England, on average, made larger cuts (34%) compared with Wales (31%) and Scotland (23%). Although the picture for Northern Ireland is partial, the publicly available figures show a modest upward trend. This could reflect the relatively limited responsibilities of councils there, when compared to the other UK nations. These figures will also be influenced by the Derry Capital of Culture in 2013.

Table 1: Change in gross expenditure on museums and galleries per person 2009/10 to 2019/20 (real terms, 2019/20 £), by English region and UK nation

Area	09/10	11/12	13/14	16/15	17/18	19/20	Percentage change 09/10 – 19/20
North East	£8.30	£6.80	£6.32	£4.92	£4.78	£4.56	-45%
North West	£6.69	£5.59	£5.47	£4.69	£4.56	£4.64	-31%
Yorkshire and the Humber	£7.98	£6.91	£6.70	£6.07	£6.38	£6.45	19%
East Midlands	£8.30	£6.44	£5.93	£5.08	£5.71	£4.37	-47%
West Midlands	£8.82	£7.75	£7.07	£5.31	£5.18	£4.38	-50%
East of England	£5.49	£4.77	£4.69	£4.14	£4.63	£4.18	-24%
London	£4.20	£3.42	£3.07	£2.84	£2.58	£2.78	-34%
South East	£5.88	£4.94	£5.08	£4.33	£4.26	£3.92	-33%
South West	£6.22	£5.79	£4.97	£3.57	£4.70	£5.12	-18%
England Total	£6.57	£5.57	£5.27	£4.41	£4.57	£4.35	-34%
Wales	£5.36	£4.39	£3.93	£3.86	£4.01	£3.68	-31%
Scotland	£10.97	£10.26	£9.58	£9.26	£8.72	£8.44	-23%
UK Total	£6.85	£5.91	£5.58	£4.79	£4.89*	£4.66*	-32%

*excluding Northern Ireland

Figure 2: Change in gross expenditure on museums and galleries per person 2009-10 to 2019-20 (real terms, 2019/20£) by English region



Looking at spending levels by 2019/20, among the English regions, spending per person was lowest in London at £2.78 (40% below the UK average), and highest in Yorkshire and the Humber at £6.45 (38% above the UK average). The figure for Yorkshire is likely to be influenced by increased spending on Hull City of Culture 2017. Nevertheless, the overall variation suggests continuing inequality between localities when it comes to the provision of museums and galleries and suggests significant differences in local government capacity to provide these services.

By 2019/20, spending per person is higher in Scotland when compared with the other UK nations. However, caution is needed when interpreting this data. First, when we consider change in levels of spending, the cuts experienced by museum staff in Scotland are comparable to the rest of the UK in that they reflect a general pattern of decline. Second, in England, Arts Council England distributes a significant amount of core funding to museums which equivalent agencies in Scotland do not. For example, during the current funding period for National Portfolio Organisations (2018-22), ACE will invest a total of £146.5m in museums in England. Museums will also be able to apply for substantial additional funding through other ACE grants programmes. This represents a significant additional investment of public funds which is not available to museums outside England.

Finally, spending per person on public services is generally higher in Scotland than other nations. This reflects the fact that the Scottish government receives a large portion of its funding via a block grant from the UK government determined by the Barnett formula, and determines how much is spent on most public services.

In addition to considering geographic variation by region and nation, this section also looks at the extent of the funding changes made by different local authorities. Table 2 compares gross expenditure in real terms per person in 2019/20 vs. 2009/10 for the 205 'upper-tier' local authority regions in England, Scotland and Wales. It illustrates that the majority of local authorities are spending between 1-49% less on museums and galleries than they were at the start of the period. It also identifies the significant number of local authorities that have increased spending in this area. Behind the averages summarised in Table 2 lies significant variation. In England the percentage changes in gross expenditure per person between 2009/10 and 2019/20 ranged from -100% to +300%. In Scotland the change ranged from -100% to +86.5%. In Wales the range was similar, from -100% to +87.7%. In some councils, these changes will reflect the transfer of services to trusts or perhaps accounting inconsistencies such as the reporting of capital spending on redevelopment as revenue expenditure.

Table 2: Change in gross expenditure on museums and galleries per person 2009/10 to 2019/20 (real terms, 2019/20 £), by English region and UK nation

	Spend always usually zero	Spend reduced to zero before 19/20	Spend 50-99% lower	Spend 1-49% lower	Spend higher	Total LAs
England	16	9	39	54	33	=151
Scotland	0	1	9	17	5	=32
Wales	3	2	3	12	2	=22

Appendix C shows the spending data by local authority in full, where the variations are notable.

Spending per person also varies by local authority type, as shown in Table 3. Unitary authorities and metropolitan districts were the highest spenders. Spend was lowest in the shire county and districts (combined) and London boroughs. Cuts have been larger in metropolitan districts and the shire county and districts (combined).

Table 3: Gross expenditure on museums and galleries per person 2009/10 to 2019/20 (real terms, 2019/20 £), by local authority type

Local authority type	09/10	11/12	13/14	15/16	17/18	19/20	Percentage change 09/10-19/20
England – county and district council	£5.69	£4.69	£4.63	£3.94	£3.94	£3.54	-38%
England - unitary authority	£8.10	£7.35	£6.51	£5.28	£5.94	£6.00	-26%
England - metropolitan district	£8.15	£6.74	£6.63	£5.45	£5.65	£5.16	-37%
England - London boroughs and Greater London Authority	£4.20	£3.42	£3.07	£2.84	£2.58	£2.78	-34%
England total	£6.57	£5.57	£5.27	£4.41	£4.57	£4.35	-34%
Wales	£5.36	£4.39	£3.93	£3.86	£4.01	£3.68	-31%
Scotland	£10.97	£10.26	£9.58	£9.26	£8.72	£8.44	-23%
Northern Ireland	£5.34	£5.62	£6.16	-	-	-	-
UK total	£6.85	£5.91	£5.58	£4.79	£4.89	£4.66	-32%

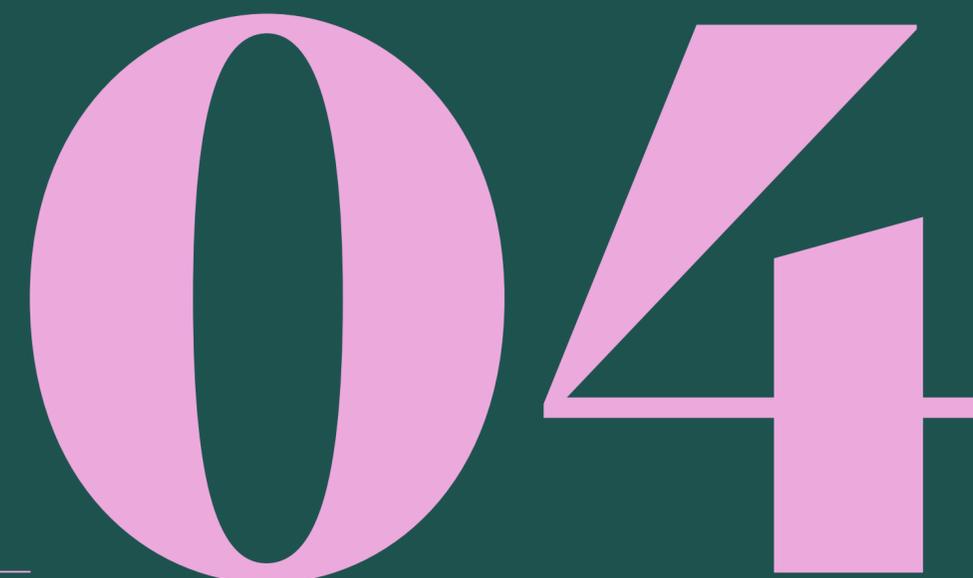
Within this varied picture, there are also several local authorities where spending on museums and galleries was 0 in 2009/10 and has remained as such. This reflects the fact that some local authorities are not involved in museum provision for varied reasons such as historic differences in provision or the national status of museums in London and Liverpool, for example.

Table 4: Local authority areas where spending on museums and galleries was £0 in 2009-10 and remains so

Bexley	London
Blaenau Gwent	Wales
Bridgend	Wales
Camden	London
Central Bedfordshire	East of England
Hillingdon	London
Isles of Scilly	South West
Lambeth	London
Lewisham	London
Liverpool	North West
Solihull	West Midlands
Telford and Wrekin	West Midlands
Tower Hamlets	London
Vale of Glamorgan	Wales
Westminster	London
Wokingham	South East
Slough	South East

Changes to museum and galleries income 2009/10 to 2019/20

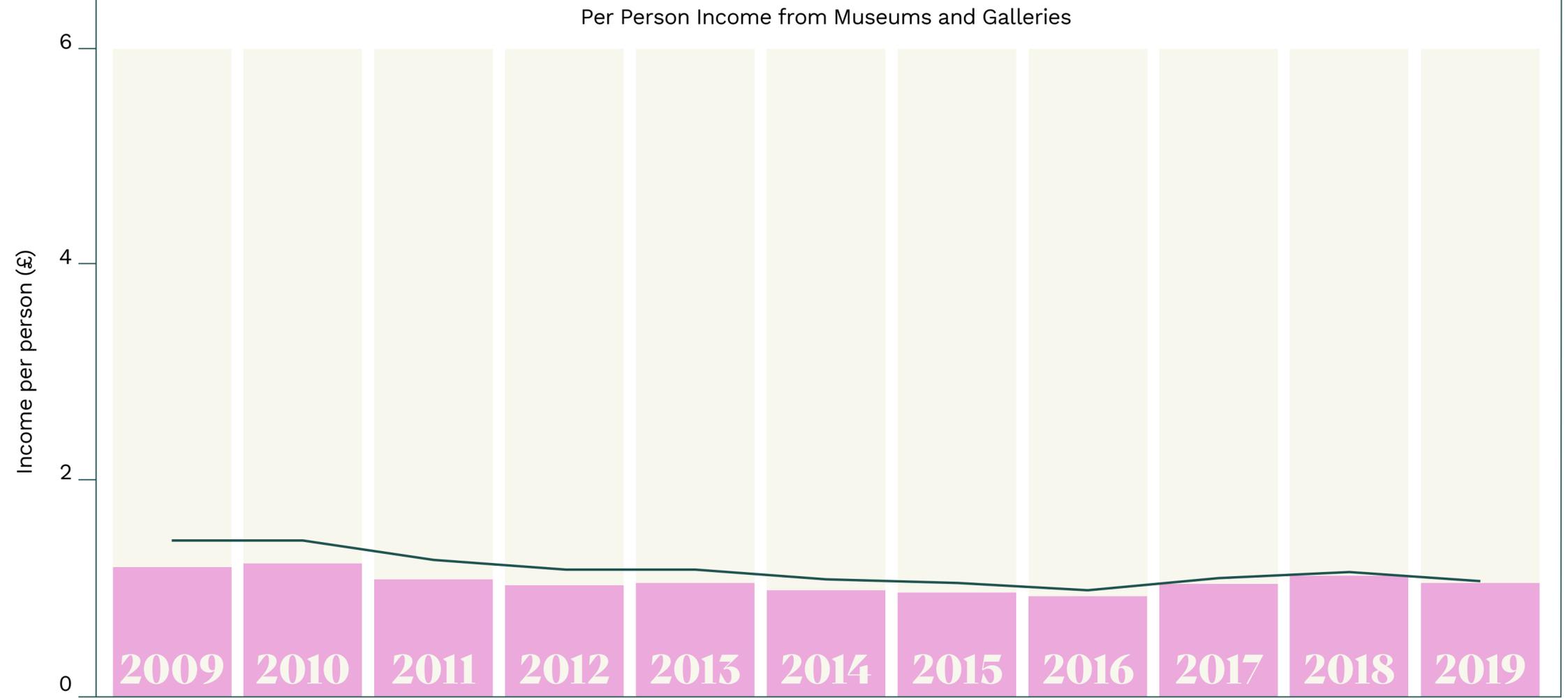
This section looks at the changes to income reported by museums directly operated by local authorities during the period 2009/10-2019/20.

A large, stylized number '044' is positioned in the bottom right corner of the page. The '0' is a solid dark blue circle. The first '4' is a dark blue shape with a white diagonal cutout. The second '4' is a solid dark blue shape with a white horizontal cutout. The numbers are set against a background of a light blue-to-white gradient.

Local authorities can earn income via their directly operated museums from admission charges, school visits, ticket sales, commercial sponsorship, events, retail, catering and other sources.

Income to local authorities from museum and galleries in cash terms fell from a UK average of £1.20 per person in 2009/10 (£1.44 in real terms) to £1.06 per person in 2019/20; an overall decline in income of 5% from £75m (a decline of 21% from £90m in real terms) to £71m.¹²

Figure 3: Income per person on museums and galleries 2009/10 – 2019/20



(BAR = Nominal/cash terms, LINE = Real terms (2019/20 £))

¹² As for footnote 11.

Many councils are looking to replace lost grant income through maximising the commercial potential of their services, including museums. Table 5 shows a breakdown of changes in reported income from museums and galleries per person between 2009/10 and 2019/20 by region and UK nation. Looking at these figures, it is notable that the vast majority of areas have seen a decline in income levels. It is only in the East of England where we see a rise of 21%. However, this decline can be partly explained by the move of many local authority museums to independent trust status during the past decade, including many large museum sites. This would cause reported income from local authority operated museums to fall, despite the fact that trusts continue to trade and generate their own income.

Figure 4 shows how growth in income levels has declined outside of the East of England. Figure 5 shows how income levels across the period are lower in Scotland and Wales than England, with NI data not publicly available.

Table 5: Change in income from museums and galleries per person 2009/10 to 2019/20 (real terms, 2019/20 £), by region

Area	09/10	11/12	13/14	16/15	17/18	19/20	Percentage change 09/10 – 19/20
North East	£1.22	£0.85	£0.80	£0.70	£0.85	£0.93	-23%
North West	£1.85	£1.32	£1.30	£1.39	£0.95	£1.06	-43%
Yorkshire and the Humber	£1.09	£1.61	£0.77	£0.73	£0.89	£0.87	-20%
East Midlands	£2.00	£1.73	£1.59	£1.33	£1.82	£1.42	-29%
West Midlands	£1.74	£1.71	£1.48	£1.17	£1.42	£0.77	-56%
East of England	£1.36	£1.50	£1.80	£1.86	£1.85	£1.65	+21%
London	£0.34	£0.24	£0.28	£0.21	£0.26	£0.27	-20%
South East	£1.95	£1.83	£1.89	£1.44	£1.54	£1.43	-27%
South West	£2.35	£1.24	£1.04	£1.02	£0.98	£1.95	-17%
England Total	£1.53	£1.33	£1.23	£1.10	£1.15	£1.12	-26%
Wales	£0.82	£0.74	£0.54	£0.51	£0.55	£0.64	-22%
Scotland	£0.92	£0.75	£0.83	£0.74	£0.75	£0.66	-29%
Northern Ireland	-	-	-	-	-	-	-
UK total (exc. NI)	£6.85	£5.91	£5.58	£4.79	£4.89*	£4.66*	-32%

Figure 4: Change in gross expenditure on museums and galleries per person 2009-10 to 2019-20 (real terms, 2019/20£) by English region

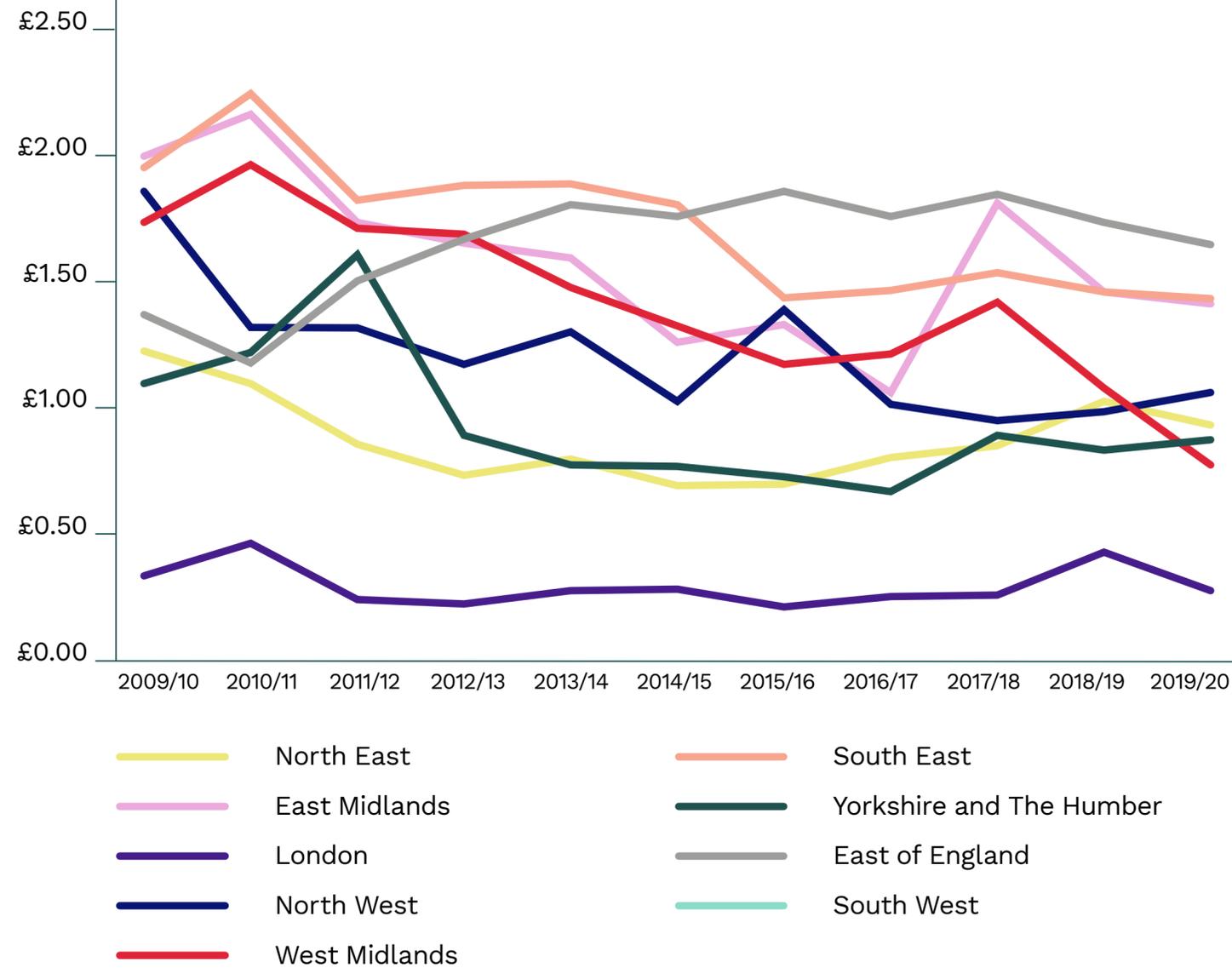
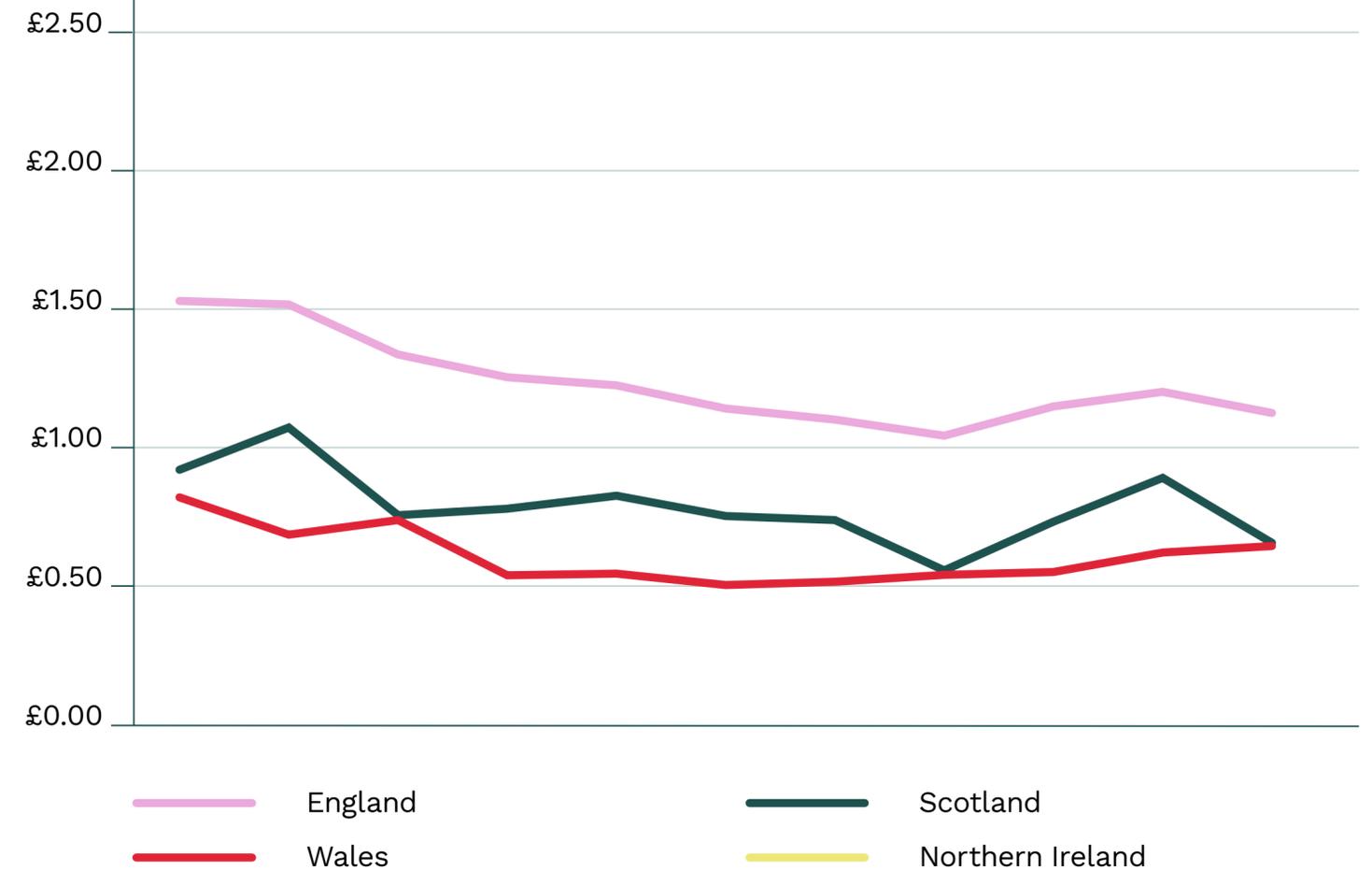


Figure 5: Change in per person income from museums and galleries 2009/10 to 2019/20 (real terms, 2019/20 £), UK nations (NI data missing where unavailable)



Key insights from stakeholder interviews on impact of change

Interviews with a range of key stakeholders provided insight into the impact of funding cuts. These conversations resulted in several important insights, summarised below.

05

Several of these are issues for the whole sector: funding, workforce, need for policy development. However, there are issues that have taken on a new complexion in recent years, due to ongoing funding cuts and changes to central government grants. Key takeaways from these interviews were as follows.

- An imbalance between capital and revenue funding. Whilst capital funding is available to build new cultural facilities, there is a lack of support for the revenue costs which are essential to maintain them in adequate condition and to fund the staff needed to support their use. An example of this is the UK-wide ‘Levelling Up’ fund, or the English MEND fund which continue the trend for central government grants to be available for spending on capital investments only.
- In a context of spending cuts and ongoing efficiency savings, difficulties in identifying further savings without drastically altering the level of service. Several interviewees felt further cuts would result in service withdrawal or the museum becoming a different type of service entirely.
- The loss of experienced staff, and a tendency for redundancies and staff cuts to fall on community engagement, learning and outreach teams. We have also seen cuts to specialist curators and conservators. Some services are struggling to fund staff beyond those who are essential for keeping the doors open, with obvious implications for access and audience development.
- Income generation is a key focus for many local authority museums but only as additional income. There is no expectation that this will ever make up for lost revenue funding. Some museums are focusing on approaches to income generation which support the local economy, through procuring services and products from local suppliers, but there is a trade-off here as this approach is less profitable.
- With local authorities looking to divest from historic buildings with high maintenance costs, many felt more co-location of services was on the horizon, particularly health and wellbeing hubs.
- External funding from government agencies and philanthropic funders has been important as leverage for senior staff looking to pin down local authority investment. Multi-year funding programmes from external funders such as Arts Council England have been useful as a way of encouraging a similar time commitment from councils.
- Institutional capacity to apply for external funding was raised as a serious issue for many.

“I am constantly having to campaign for continued investment in culture. We’re up against social care, housing, homelessness services. Personally I really feel the pressure to carry the flag internally”

“Members are having to make the least worst of the unpalatable decisions. Yes there is underinvestment, but not because museums are not important or undervalued but because of the choices Members face.”

Where next? Scenarios (and their consequences)

What is the future outlook for local authority funded museums? The longer term financial outlook for local government itself is highly uncertain.¹³ Adult social care, funding allocations, business rates, devolution, regional development funding post-Brexit are all subject to major reviews which have not yet concluded, having been delayed several times. Each of these will frame the future development of local government and its role, which in turn will shape museum services. Against a backdrop of such uncertainty, predicting future funding scenarios for local authority museum services is challenging. However, based on their experience of the last decade, we can reasonably expect the following scenarios.

If local authorities cut museum budgets beyond current levels, outcomes are likely to include:

- services already operating with a bare minimum of resources could be withdrawn
- museum buildings that are important local heritage assets could be disposed of on the commercial market or transferred to community ownership

“Museums are often the only cultural institution in the community. They are safe spaces and community hubs, and this is even more the than case now that other facilities are closing”

- smaller sites are likely to be at heightened risk of closure
- collections could be sold or, if funding is available, kept in storage
- there could be negative knock-on effects for other service areas such as public health and other local cultural organisations in the ecosystem

¹³ Ogden, K. & Phillips, D. (2020). ‘Assessing England’s 2021-22 Local Government Finance Settlement’ IFS Briefing Note BN314 <https://ifs.org.uk/uploads/BN314-Assessing-England%27s-2021-22-Local-Government->

[Finance-Settlement-4.pdf](#); Ogden, K., Phillips, D. and Spiliotis, J. (2020). ‘COVID-19 and English council funding: what is the medium-term outlook?’ <https://ifs.org.uk/publications/15041>

If local authority funding to museums remains the same, which implies a continuation of funding cuts at current levels, outcomes are likely to include:

- widespread hollowing out of experienced staff in many institutions, and increased move to casualisation of workforce

“Capital funding for refurbishment has been generous and easy to access, we have lots of facilities now. The issue is revenue funding for the long-term. How do we activate those facilities? Or even maintain them in adequate condition? Or pay for the programming costs for the building? Funders have had an appetite for capital projects which has been great but we now need them to think seriously about supporting revenue expenditure”

- expansion of co-located services because capital funds are available to build these facilities, with the risk that new infrastructure will be poorly maintained and used because of lack of revenue funding

- services introducing or increasing admissions charges and increased emphasis on revenue generation with potential impacts on access

“I see increased charging for museums and temporary exhibitions as inevitable really. We’re in a situation where we’re faced with closure or starting to charge and we feel the majority of the population would prefer to pay rather than see the museum close”

- some venues closed during the pandemic might not reopen because of funding gaps including loss of revenue
- curatorial, engagement and other posts will continue to be lost
- further reductions to opening hours
- emphasis on full cost recovery programming, which could impact the nature of programming.

“The risk now is that many museums have changed their business model to be more of a commercial offer, which is all to the good until that means they’re not well positioned to support schools and other communities who don’t fit that model”

“There are some good funding opportunities for museums at the moment but staff just don’t have the capacity to apply”

If local authorities are able to allocate additional funding to invest in museums, outcomes could include:

- employing staff to build capacity to engage, for example, in social prescribing, which would allow museum to support NHS prevention agendas
- upgrading of buildings and infrastructure, allowing museums to play a role in cultural regeneration and high street revitalisation to restoring pride in place
- ensuring adequate collections care, storage and engagement
- continuing research into collections to allow new stories to be told
- increased digital capacity, capitalising on hybrid delivery developed during Covid period.

“We need to make the case for investment in order for museums to grow, so they can expand and adapt, tell new stories and be dynamic rather than static. Young people are switching off from museums so we really need to find ways to use all the collections to tell different stories”

Understanding the dynamics of decision-making

As a non-statutory service, it is at the discretion of each local authority to choose how much of their overall budget to allocate to museums and galleries. In practice, this means there is significant variation in spending on museums, as evidenced earlier in this report. While there are some local authorities spending nothing in this area, the vast majority do spend on museums.

A large, stylized graphic of the number '06' in a light blue color. The '0' is a simple oval shape, and the '6' is a more complex, rounded shape with a small loop at the bottom. The numbers are positioned in the lower right quadrant of the page.

Understanding the context within which local authority museums operate helps understand this variation as well as why services are evolving as they are. Differences in spending on museums and galleries could arise for several reasons including demographic and socio-economic characteristics; personal and political factors; and the fiscal revenues of the local authority. We do not seek to explain how spending in this area relates to such factors, which could be thought of as indicators of ability to fund discretionary services such as museums. There is clearly a need for further analysis to help answer these questions. Nevertheless, this section highlights the combination of local pressures and preferences driving decisions about museums, as a first step towards a fuller understanding of the drivers of these spending patterns.

While the importance of the financial context has not been ignored, it is typically examined in an abstract way which does not take us much closer to seeing the full range of factors, financial and otherwise, influencing spending and service change on the ground. Anyone working in or with museums will know that the sector is diverse. Uneven development across and within the UK nations mean high levels of divergence in museum provision. Present-day patterns of public sector change along with economic policy choices have compounded this. In addition, the shift towards governance models other than direct local authority provision and varied ways of thinking about museum services and their priorities creates a complex picture. Our approach to exploring what makes a museum or service particularly vulnerable to spending cuts or the

reverse, aims to foreground this complexity by highlighting the combination of local pressures and preferences driving decisions about museums.

In this section are two illustrative examples of how financial, demographic, political, and organisational factors might combine to produce different outcomes for museums. The first example focuses on a service that is highly vulnerable to cuts, and the second on a relatively protected service. Although these examples are informed by our combined knowledge of sector trends, these are not intended to reflect real-life case studies, but to show how changes to museum spending are driven by a complex web of intersecting factors. Undertaking this exercise helps us appreciate the constraints and opportunities that these circumstances create both for individual museums and museum services.

Council type does not appear as a factor, as while there are important differences here, there doesn't appear to be a straightforward relationship between council type and spending change. Metropolitan districts may be relatively poor authorities, with small council tax bases and high pressure on services, but they also tend to be in post-industrial areas, and have a history of philanthropy resulting in higher numbers of museums and larger services. District councils are smaller so struggle with capacity for culture and don't have the same economies of scale. Where a council has responsibility for one museum alone, they may be less inclined to cease to provide a service at all, especially

if local politicians identify the museum as important for local identity and civic pride. County councils and unitary authorities deliver social care, which means their budgets are under pressure. Yet county councils tend to be in more affluent parts of the country, whereas the distribution of unitary authorities is more mixed. In short, no council type is immune to spending pressures, and other factors must be considered to get a full picture of the context in which these decisions are made. Scotland, Wales and Northern Ireland have single-tier systems of local government.

Financial

- High levels of grant dependence and deprivation
- Lower than average council tax revenues and business rates
- Cuts in central government grant passed on to discretionary services
- In priority area for funding but without capacity to apply

Demographic

- High demand for statutory services from residential care for younger and older adults, children's social care and pressure on housing budgets to address rising levels of homelessness
- Protecting spending on statutory services
- Protecting spending on economic development and planning with aim of generating inward investment to make up lost revenue from central government
- Low disposable incomes limiting capacity to raise revenues from charging for cultural and leisure services

Highly vulnerable to cut-backs

Political

- Political preference to limit council activity to mandatory services
- Large majority bolsters confidence that bad publicity generated by extensive cuts or service withdrawal will not result in election losses
- Hierarchical, top-down decision making leaves little room for museum staff to contest approach

Organisational

- Service comprises small single museum site located at a distance from administrative centre
- Historically museum service lacked visibility within council
- Sporadic support and interest from relevant portfolio holders
- Building presents minimal opportunities for income generation
- Local campaigns in support of service fail to sway decision-makers
- History of low investment meaning building is in need of repair
- Listed, historic building with high maintenance costs

Financial

- Low dependence on central government grant meaning spending cuts have been lesser
- If high dependence on central government grant, then ability to replace lost funding with local taxes and revenues
- Ability to draw down reserves to plug funding gaps
- In priority area for funding and with capacity to apply and track record

Demographic

- Less demand pressure for statutory services from residential care for younger and older adults, children's social care and pressure on housing budgets to address rising levels of homelessness
- Strong visitor economy presents opportunity for income generation and a will to maintain service to attract visitors

Relatively protected from cut-backs

Political

- Political preference towards providing discretionary services
- Bottom-up or collaborative approach to decision-making
- Spending decisions recognise the value of culture in supporting wider council priorities, such as health and wellbeing

Organisational

- LA supported Trust able to secure multi-year funding agreement with council
- LA supported Trust able to replace lost council grants with contributed income
- Income generation potential - means council might continue to invest in the hope of a return or be able to sustain services at lower cost
- Effective advocacy from the head of service and portfolio holder with cabinet and council executive
- In a two-tier council area, meaning potential for town or parish council to take on responsibility, enabled by raising local precepts to fund services.

In reality the majority of local authority museum services operate in a context where a combination of these factors are identifiable within the parent authority. There are also other factors which appear to determine decisions. The parent authorities of two services may face equivalent financial and demographic pressures, yet the political preferences of the leadership result in opposite outcomes. Although this report does not examine the extent to which patterns in museum spending are driven by local choices, we cannot discount the role of local preferences.

There are also those factors which play different roles depending on the broader context. A local authority's ability to raise income from local taxes and sales, fees and charges (SFCs) is a good example of this. Pre-pandemic, generating income locally would have provided a means for local authorities to avoid having to make spending cuts following a reduction in the amount received from central government grant. At that point we might have called these local authorities 'resilient'. However, with lockdowns, restrictions and social distancing resulting in the loss of such income, this ability to generate revenues becomes a problem, and the same local authorities start to be thought of as exposed to risk. The following example scenarios illustrate both of these dynamics:

- Museum A's parent authority is in a challenging financial position because of high dependence on central grant funding, lower than average ability to generate revenue from local taxes and charges, as well as facing significant pressure on statutory services linked to deprivation levels. Local authority A is in a priority area for grant funders and has the staff capacity to apply so can access capital investment to remodel buildings to create income generation potential. Local authority A is controlled by an administration with a political preference to support a cultural offer, partly to support the visitor economy and now bolstered by the ability to generate income.
- Museum B's parent authority is in a challenging financial position because of high dependence on central grant funding, lower than average ability to generate revenue from local taxes and charges, as well as facing significant pressure on statutory services linked to deprivation levels. Museum B has a highly effective ally within the culture team of the council, a large metropolitan district, who is an effective advocate for the museum service, resulting in culture featuring in strategic priorities. Museum B is part of a trust that has a mixed funding model, with grant funding dependent on continuing support from the council through a management fee. This co-dependence is a key lever for museum staff trying to argue against further cuts.
- Museum C's parent authority is in a challenging financial position because of high dependence on central grant funding, lower than average ability to generate revenue from local taxes and charges, as well as facing significant pressure on statutory services linked to deprivation levels. Historically, the museum service has been successful, winning awards and attracting grants from external bodies. There is strong public support for the service and extensive local campaigns against proposed withdrawal of the service. However, council leadership have a political preference to reduce spending on all but mandatory services, despite the role of discretionary services supporting statutory ones. Local politics mean the authority cease to support a museum service. Collections and buildings are sold or transferred elsewhere.
- Museum service D's parent authority is in a relatively good financial position because of being in a more affluent part of the county, meaning dependence on central government grant is low and ability to raise revenues locally is high. Although the demand on statutory services is comparatively low, an ageing population means the council faces pressure on social care services. Museum service D is subject to a review. There is a political preference to maintain a museum service. Museum service D changes from a buildings-based service to an outreach/digital offer. Collections are rationalised. Museum service D is perhaps more vulnerable to future cuts without a firm base in a building.

Conclusion and next steps

07

Conclusions

The analysis in this review illustrates the significant reductions in spending on museum services across the UK over the previous decade. It also highlights variation between local authorities across England, which are masked when we focus on average figures alone. Direct comparisons are difficult because of differences in data collection methods, and a lack of publicly available data for Northern Ireland. However, our research shows commonality across England, Scotland and Wales with the total amount of funding going to museums decreasing in real terms by 34%, 23% and 31% respectively.

Interviews with a range of key stakeholders provided insight into the circumstances behind some of this data. Key issues for the immediate future are: a lack of revenue funding; loss of learning and community engagement teams; worsening working conditions; ongoing pressure to make savings when many services have already been cut to the bone; co-location of services in buildings which impact accessibility and institutional capacity to apply for funding.

Perhaps the single biggest theme to emerge from our discussion of the data is the importance of context for understanding why museum services have been vulnerable to spending cuts in recent years. While local government finance is indeed

complicated, one way of understanding the current situation is to set a historic prioritisation of ‘fiscal equalisation’ against a current push towards ‘fiscal incentives’. Where previously central government in England allocated grants to local authorities to compensate for differences in local needs and revenue raising abilities, the last decade has seen a decided shift towards a funding model where councils’ funding and ability to provide services is more dependent on local economic and social conditions.¹⁴ This has been accompanied by growing demand across all UK nations for statutory services and a shift away from core non-specific funding available to spend on important but non-statutory services towards targeted, short-term funding, which comes with highly specific conditions as to how and on what it is spent and is often competitive.

“These conditions create a difficult environment for museum services, with many councils having little choice but to reduce services and staffing in a context where local autonomy is limited and resources are already stretched.”

This suggests the ability of councils to fund museum services will continue to vary greatly, continuing the inequality in provision across the nation and within countries. This raises difficult questions for funders of museums in terms of how to invest wisely for the future benefit of local authority museums and the public.

The current climate presents both opportunities and challenges for museums. The role of cultural infrastructure in local economic and social development is acknowledged in government policies across the UK, including the Scottish Culture Strategy, the Welsh Future Generations Act, the English Cultural Development Fund, and the UK-wide prospectus for the Levelling Up Fund. While it remains a vague concept, the importance of ‘place-based approaches’ to everything from planning, to tackling health inequalities, to economic growth continues to be touted by ministers and politicians.¹⁵ Recent research by the Audience Agency indicates a desire to ‘shift to more local engagement’, making local availability of museums an increasingly important influence on participation levels and potentially contributing to a shift in how we think about the museum.¹⁶ Anyone working in museums will tell you of the untold possibilities for creative, socially-engaged work with communities. However, capacity and resources are needed

to take any idea forward, and our research identified significant challenges in this area.

Beyond the analysis of spending data, we need to understand the relationship between a council’s financial position and what it spends on museums. What drives choices as to whether services are relatively protected or cut back? What is the role of local preferences and pressures on levels of museum provision? What measures give us a meaningful understanding of the pressure on services locally, in order that we might better understand what a service lead is up against as they advocate for their service? Answering these questions requires detailed, empathetic work with decision-makers but there is also a need for better data, with the interviews undertaken for this report raising issues of accuracy in the reported spending data. With resources scarce in both museums and funding bodies, and with fewer non-departmental public bodies since reforms in the 2010s, there is limited complete and comparable data regarding the state of local authority museum services. Nevertheless, the analysis and research presented here identifies a number of key issues for local authority funders and other stakeholders which need to be addressed urgently if museums are to meet the needs of their communities and deliver their potential.

¹⁴ Phillips, D. (2018). ‘Equalisation, incentives and discretion in English local public service provision’ in: *Governing England: Devolution and Funding* (British Academy) <https://ifs.org.uk/publications/13202>

¹⁵ Jenrick, R. (2021). ‘Speech by Secretary of State Robert Jenrick MP at the Local Government Association’s annual conference 2021’ <https://www.gov.uk/government/speeches/local-government-association-annual-conference-2021-secretary-of-states-speech>

¹⁶ The Audience Agency (2021). ‘Recent Key Insights’ <https://www.theaudienceagency.org/evidence/covid-19-cultural-participation-monitor/first-findings-from-the-cultural-participation-monitor-wave-3>

Appendix A: Calculating museum spend

08

We do not, as is common, consider net expenditure, but rather consider patterns of income and gross expenditure separately. As our focus is on the nature of a climate of cuts in spending, it would potentially be misleading to interpret a rise in income as a “cut” in spending, as would be the case when considering net expenditure. As such, we firstly consider outgoings (e.g.) on employees and running costs, then consider income generated. For two reasons, we look at revenue expenditure only. First, comprehensive and consistent data on capital spending are not consistently available for the time period and categories of interest here. Second, this covers the majority of expenditure and avoids distortions by one-off capital projects. This does not discount the significant role that access to capital investment plays in enabling councils to adapt existing infrastructure in line with new demands.

Income and expenditure totals used are as recorded against each local authority in annual outturn reports. We are aware that there are flaws in this dataset, which relies on the efforts of local authority staff who are under pressure to collate and submit the data. The specific figures used above are derived from these sources:

- English figures from local authority revenue outturn data on ‘cultural, environmental, regulatory and planning services’ (RO5) published by the Ministry of Housing, Communities & Local Government as recorded under ‘total expenditure’ and ‘total income’.
- Welsh data from revenue outturn data on ‘cultural and related services’ provided by StatsWales as recorded under ‘gross expenditure’ and ‘total income’.
- Scottish data from Scottish Local Government Finance Statistics as recorded under ‘total expenditure’ and ‘total income’.
- Northern Irish data taken from individual local council financial accounts as recorded under ‘gross income’ and ‘gross expenditure’, ACNI’s 2015 ‘Local Authority Arts and Culture Expenditure Survey’, and the Northern Ireland Assembly’s 2015 briefing paper on ‘Local Council Spending on Culture and Heritage’. Figures for ‘Leisure and Recreational Services’ rather than ‘Cultural and Related Services’ are used from Northern Ireland. In calculating figures for the whole of Northern Ireland, figures for Newry, Mourne and Down have been estimated based on available years for 2013/14-204/15.

Due to late return of outturn data in 2019/20, figures for five lower-tier English authorities have been estimated based on earlier years.

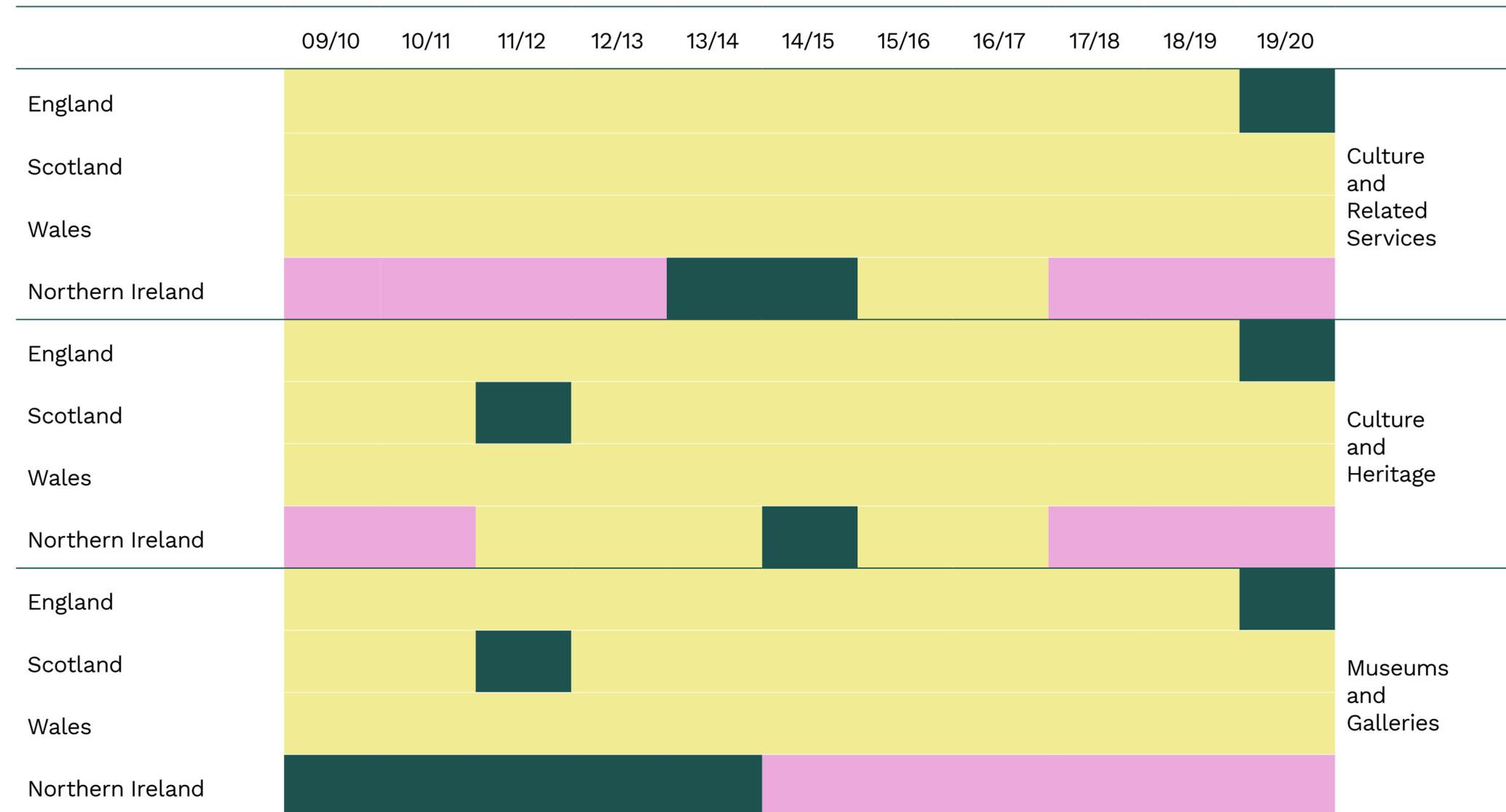
Adjustments for inflation made using ONS GDP deflators. Population figures for UK regions and nations sourced via Nomis.

Appendix B: Data availability

All four nations have different structures for local government, and the public availability of data varies across the different reporting regimes.

09

This table summarizes where data is publicly available. Further information can be found below.



Yellow = Data available at all local authority levels
 Green = Some data availability, but not at all local authority levels
 Pink = No or minimal data available

- England: data available on ‘museums and galleries’ revenue expenditure and income in all local authority areas for the period 2009/10 – 2019/20 inclusive (although a small number of individual local authority returns are not available for 2019/20)
- Scotland: data available on ‘museums and galleries’ revenue expenditure and income in all local authority areas for the period 2009/10 – 2019/20 inclusive (except 2011/12 where whole country data available only)
- Wales: data available on ‘museums and galleries’ revenue expenditure and income in all local authority areas for the period 2009/10 – 2019/20 inclusive
- Northern Ireland: accounting data is not collated centrally and must be sourced from each individual council directly. As such, data prior to 2015 reorganisation of local government from 26 to 11 districts is only publicly available sporadically. Additionally, after 2016/17, following the reconfiguration of the executive, reporting is no longer standardised across councils. As such, data availability on ‘museums and galleries’ revenue expenditure and income is generally low with some data available contained within existing reports.

Appendix C: Spending data by local authority 2009/10 – 2019/20

This report is published alongside a spreadsheet that collates for spending and income data for ‘Museums and Galleries’ 2009/10 – 2019/20 for each LA, where data is available.

[Link here](#)

A large, stylized number '10' in a light blue color. The '1' is a simple vertical bar with a small triangular top. The '0' is a thick, rounded shape with a vertical slit in the center. The number is positioned in the bottom right corner of the page.

References

Amin Smith, N., Phillips, D., Simpson, P., Eiser, D. and Trickey, M. (2016). 'A time of revolution? British local government finance in the 2010s', Institute for Fiscal Studies (IFS), Research Report R121 (<https://www.ifs.org.uk/publications/8705>).

Arts Council England (2016). 'Now and the future: A review of formal learning in museums' https://www.artscouncil.org.uk/sites/default/files/download-file/Now_and_the_future_formal_learning_in_museums_NOV2016.pdf

Arts Council of Northern Ireland (2015). 'Local Authority Arts and Culture Expenditure Survey 2006 to 2013' http://www.artscouncil-ni.org/images/uploads/publications-documents/Local_Authority_Expenditure_Release_Version.pdf

Community Leisure UK (2020). 'The scale and reach of the Community Leisure UK trusts network' https://communityleisureuk.org/wp-content/uploads/2019/12/trusts_infographic_1911_F.pdf

EKOS (2020). Civic Museums in Scotland: Report for VOCAL and Museums Galleries Scotland.

EKOS (2020). Addendum to Report for VOCAL and Museums Galleries Scotland.

Harris, T., Hodge, L. and Phillips, D. (2019). 'English local government funding: trends and challenges in 2019 and beyond' Institute for Fiscal Studies (IFS) Report <https://ifs.org.uk/publications/14563>

HM Treasury, Ministry of Housing, Communities & Local Government and Department for Transport (2021). 'Levelling Up Fund: Prospectus' https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/966138/Levelling_Up_prospectus.pdf

Hull, D. and Wilson, J. (2015). 'Measuring the performance of museums in Northern Ireland' Northern Ireland Assembly, Research and Information Service Research Paper 11/16 <http://www.niassembly.gov.uk/globalassets/documents/raise/publications/2016/cal/1116.pdf>

Hull, D., Campbell, A. and Eisenstadt, C. (2015) 'Local council spending on culture and heritage' Northern Ireland Assembly, Research and Information Service Briefing Paper 50/15 <http://www.niassembly.gov.uk/globalassets/documents/raise/publications/2015/cal/5015.pdf>

Institute for Government (n.d.) 'Public spending and taxation' <https://www.instituteforgovernment.org.uk/publication/devolution-at-20/public-spending-and-taxation>

Morse, A. (2018). 'Financial Sustainability of Local Authorities 2018. National Audit Office.' <https://www.nao.org.uk/wp-content/uploads/2018/03/Financial-sustainability-of-local-authorities-2018.pdf>

Museums Association (2020). 'Response to Scottish Parliament Local Government and Communities Committee – Covid 19 Call for Evidence' <https://www.museumsassociation.org/scottish-plmt-local-govt-committee-covid-response6990/#:~:text=There%20are%2070%20ALEO%20and,significant%20impact%20from%20Covid%2019.>

Northern Ireland Museums Council (2016). 'Mapping Trends in Northern Ireland's Local Museums' <https://nimc.co.uk/research-and-publications/download-publication/16/mapping-trends-2016.pdf>

Northern Ireland Museums Council (2013). 'Local Museums Resources Survey' <https://nimc.co.uk/research-and-publications/download-publication/14/local-museum-resources-survey-2013.pdf>

Ogden, K. & Phillips, D. (2020). 'Assessing England's 2021-22 Local Government Finance Settlement' Institute for Fiscal Studies (IFS) Briefing Note BN314 <https://ifs.org.uk/uploads/BN314-Assessing-England%27s-2021-22-Local-Government-Finance-Settlement-4.pdf>;

Ogden, K., Phillips, D. and Spiliotis, J. (2020). 'COVID-19 and English council funding: what is the medium-term outlook?' Institute for Fiscal Studies (IFS) Report <https://ifs.org.uk/publications/15041>

Rex, B. and Campbell, P. (2021). 'The impact of austerity measures on local government funding for culture in England', Cultural Trends [online first] <https://doi.org/10.1080/09548963.2021.1915096>

Scottish Government (1887). 'Public Libraries Consolidation (Scotland) Act 1887' <https://www.legislation.gov.uk/ukpga/Vict/50-51/42/body>

Studdert, J. (2021). 'Local Government Explained Part 3: How are councils funded?' <https://www.newlocal.org.uk/articles/council-finance-explained/>

Welsh Government (2015). 'Expert Review of Local Museum Provision in Wales 2015' <https://gov.wales/sites/default/files/publications/2019-07/expert-review-of-local-museum-provision-in-wales-2015.pdf>

