



Association of Independent Museums evidence to the Treasury Committee on the financial impact of Coronavirus

Background

- Independent museums are typically constituted as companies with charitable status. They range from community volunteer run museums to some of the UK's largest museum attractions. The loss of all income earning potential through visitors, events, school visits, corporate hire is a significant threat to the liquidity of the sector. Many have no regular funding from public bodies (eg Arts Council England). The timing of the crisis ahead of the busiest time of trading for museums (Easter onwards) compounds these problems.
- In addition, this has also placed irreplaceable indoor and outdoor collections at risk, as well as the highly valued work we do in engaging people in their history; in supporting social cohesion; in providing spaces for learning and encouraging a better understanding of everyone's place in the world.

AIM's latest report on the [Economic Impact of the Independent Museum Sector](#) highlights the considerable economic benefits independent heritage organisations deliver locally and nationally. Produced in partnership with DC Research and Durnin Research and supported by funding from Arts Council England, the report's key insights include:

- The independent museum sector **currently supports over 8,900 direct jobs** (6,000 FTE) **across the UK**, three-quarters of these are jobs in their local area
- Over **34,000 regular volunteers** contribute almost **half a million days per year** to the independent museum sector, currently estimated to be **worth more than £28 million**
- Independent museums **attract over 24 million visitors per year**, drawing in **10 million from outside their local area**
- Visitors to independent museums **spend almost £440 million**, a considerable contribution to local economies
- Standard local economic multipliers suggest the gross economic impact of the sector could be **equivalent to around 17,100 jobs** or **£730 million** of expenditure.

Current crisis

- Some of the UK's best known museums, caring for our most significant heritage report that their reserves will only enable them to remain solvent for the next 6-8 weeks.

The challenge at the **Mary Rose** in Portsmouth is described by their CEO here

Mary Rose is an independent charity that – despite receiving generous sums for the capital build of the Museum - receives no ongoing government or public funding to help with running costs. Ninety per cent of Mary Rose income comes from visitor revenue, with the majority generated during the main April-September main visitor season. While the Trust will save some costs through the public closure, the majority of costs do continue, as we must care for the unique Tudor collection, even at a time of crisis. Mary Rose's fragile archaeological objects, dramatically rescued from their seabed home in 1982 after 437 years underwater, have to be kept at a set temperature and humidity to preserve them for future generations to enjoy. The costs associated with this include specialist staff time, multiple complex systems and

equipment to heat, cool and dehumidify air 24/7/365 days a year, as well as significant energy bills.

- Smaller museums, including the **National Emergency Services Museum** in Sheffield report a huge mountain to climb

As a self-funded museum for us to close for just one month will see funds of at the very least £15,000 needing to be secured. This is with every member of staff on min hours and all bills and projects put on hold or delayed.

Typical concerns from **Ely Stained Glass Museum**

As an independent museum visitor attraction more than 90% of our income comes from visitors

The vibrant and recently refurbished **Cromwell Museum** in Huntingdon has launched a crowd funding campaign to secure its survival through the crisis
<https://www.wonderful.org/charity/thecromwellmuseumtrust>





Government assistance

DCMS have been extremely supportive in listening to and understanding the needs of the sector. The Treasury's support in terms of the Coronavirus Job Retention Scheme, Deferred VAT payments and Business Rates holidays are very encouraging however

- Speed is of the essence- the treat of insolvency is immediate
- Financial forecasting is currently incredibly difficult
- Some museums receive 100% Business Rates relief already (a further discretionary 20% from their local authority so will not gain here)
- Loans are of little interest to museums which run on tight margins- they are not a viable option to secure the future of the sector. There is also a concern that the '50% traded income' criteria could be applied to exclude some museums where a proportion of traded income is classed as 'charitable activity'
- The Retail and Hospitality Grant Scheme is very welcome and we believe will provide support for some eligible museums (less than half the sector) but will not totally mitigate against the scale of loss of liquidity that the sector is facing.

Further measures required

- Repurposing of existing sector funds (eg £120 million for the Festival of Britain) to address the immediate crisis
- The museum sector is dependent on a specialist community of self employed professionals to deliver its services. As with self employed people across as sectors they face their own crisis and we urge government to provide further support- eg a basic income guarantee or to follow the Norway model to ensure that they will be available to rebuild the sector when recovery comes.
- Consideration of the support that will be needed for eventual recovery, especially as museums adapt and restructure.

About the Association of Independent Museums (AIM)

Established in 1977, the Association of Independent Museums (AIM) connects, strengthens and represents the UK's independent heritage organisations. Through the sharing of expertise, advice and guidance AIM underpins its charitable objectives - to help heritage organisations prosper, ensuring their needs are recognised and addressed by policy makers, funders and other key sector stakeholders. AIM has a current membership of 1240, over 1000 of which are organisational members and it is supported by Arts Council England as a Sector Support Organisation. In 2019, AIM distributed over £500k through programmes, grants and awards, working closely with organisations including The Pilgrim Trust and Biffa Award.

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www.aim-museums.co.uk