

Written evidence submitted by Art Fund's

Art Fund is the national fundraising charity for art. Raising income through sales of the National Art Pass and independent donations, we run a wide-ranging charitable programme of support for museums which includes £7m in grant-giving, including support for acquisitions of objects and works of art, exhibitions and public engagement, conservation, and curatorial development. In addition, we support museums by offering a free ticketing (box office) platform, and a free-to-use crowdfunding platform. Our expertise in museums and collections, dating back to our inception in 1903, comes from working closely with our extensive network of museums, galleries and historic houses across the UK, as well as our 130,000 museum-loving members. Find out more about Art Fund at www.artfund.org.

Art Fund is responding to this call for evidence as an expert in providing support to museums – some of whom were recipients of CRF funding, some of whom applied unsuccessfully, and others, who for various reasons did not apply. In addition to our broad experience working with the museums sector, we have recently (March 2021) carried out research into the impact of Covid-19 on museums through a series of surveys, interviews and focus groups with over 300 museums, the findings of which also inform this response.

We welcome the Public Accounts Committee's Inquiry as an opportunity to feed back on the impact the CRF has had. We also want to highlight the challenges that lie beyond the CRF's lifespan, and make suggestions as to what kind of support may be needed.

Museums in England were eligible to apply for funding from both Arts Council England and National Lottery Heritage Fund, depending on the exact nature of their work – though Arts Council funding was the larger of the two. Museums make up 9% of Arts Council England's national portfolio 2018-22¹. Data published by ACE² shows that in the first round of CRF grants, 146 museums received just over £45m (out of the total 2,011 organisations that received £430m). That represents 7% of the total number of awards and 11% of the value. In the second round, 140 museums received around £23m, representing 6% of the total awards and 9% of the value (out of 2,772 organisations receiving £261m). Some museums also benefitted from Capital Kickstart grants: seven museums received a total of around £2m, representing 9% of awards but 4% of the value. Very few museums made use of the repayable finance option, with no museums receiving repayable finance in the first round³ and only three doing so in the second⁴.

The Culture Recovery Fund has been a vital lifeline in keeping many organisations afloat during this crisis and demonstrated the government's ability to be flexible and agile in its response to the effects of the pandemic on arts and cultural organisations. As part of Art Fund's own research into

¹ <https://www.artscouncil.org.uk/sites/default/files/download-file/Museums.pdf>

² <https://www.artscouncil.org.uk/publication/culture-recovery-fund-data>

³ <https://www.gov.uk/government/news/more-than-165-million-in-repayable-finance-announced-to-support-major-arts-and-heritage-institutions-as-culture-fund-marks-1-billion-milestone>

⁴ <https://www.gov.uk/government/news/400-million-to-help-more-than-2700-arts-culture-heritage-organisations-and-independent-cinemas-survive-and-thrive>

the impact of Covid-19 on museums, several museums commented that CRF funding had ensured their survival as well as, in some cases, helped prepare for reopening so that they will be able to welcome visitors safely again when restrictions are eased.

We would like to put on record our thanks to the staff at DCMS, Arts Council England and National Lottery Heritage Fund for their work on distributing funds and their support for the arts, culture and heritage spaces. Their years of working closely with museums helped in identifying and meeting the needs of the sector in this time of crisis.

Art Fund's research revealed the extent to which various sources of emergency funding were accessed over the last 12 months. Through a series of surveys, interviews and focus groups with over 300 museum directors, we found that 38% had received support from the first round of the Culture Recovery Fund, 39% had accessed funding from local authority grants, 28% from independent trusts and foundations, and 19% from Art Fund. While we see that the CRF was a valuable lifeline to many organisations, and was both welcome and essential for many museums, these findings show that museums relied on a variety of funding sources in a complex ecology.

There were also additional sources of government support that played a vital role in museums' survival. Reliefs on business rates and VAT and the Job Retention Scheme took pressure off some museums' budgets, though the Museums Association still estimates that over 4,000 jobs have been lost in the sector to date. We would like to see museums benefitting from any future government support for recovery that targets other sectors and policy areas including business, tourism, levelling up and rebuilding high streets. All these are areas in which museums make a significant contribution.

The Culture Recovery Fund prevented many organisations from going under at a time of crisis, and has enabled the immediate survival of arts and cultural organisations across the country. Now we must consider the medium and long-term challenges facing museums.

Our research in March 2021 found that: 55% of museum directors remain concerned about the long-term survival of their organisation, 37% will be operating with a new deficit, and that on average income is down 62%. We also found that on average, visitor numbers were down 75% on the previous year. These stark figures show that the financial crisis for museums is far from over; with their income models having been shattered by the pandemic, the road to recovery will be much longer than the current timeline of the CRF. Independent charities like Art Fund will continue providing funding and support in the best ways we can, but charitable funding is limited when compared to the scale of government support and to the scale of the challenge ahead.

We have been inspired by museums' ability to adapt and reimagine their work in order to continue serving their audiences and communities. Our research illustrates an ambitious sector with exciting and innovative ideas that promises to thrive again, and just needs continuing access to resources and support to help it do so.

We would be pleased to provide further evidence on any issues raised in this response, and would be glad to share more findings from our research into the impact of Covid-19 on museums.

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