

By Marla Miller

Independent research project – London study abroad summer 2011

“Exploring England’s public financing and scope of the arts, culture sector”

Dec. 19. 2011

Professor Richard Jelier

Introduction

Like American museums, those in the United Kingdom and specifically England have complex funding and governance structures. And, in the same way America is dealing with a huge national budget deficit and revenue reductions at the state and local levels and looking for programs to cut, England's central government has restructured the nation's museum Renaissance program and reduced the number of core and regional museums receiving significant financial support.

In early December, two articles in the London Evening Standard address the financial issues facing the U.K.'s arts, culture and especially its museum sector. Dec. 1 marked a decade of free admission to some of the country's top cultural institutions. Simultaneously, directors at London's top museums and galleries – where visitor numbers have doubled to more than 50 million a year since free admission was introduced 10 years ago – were saying they may be forced to cut services or start charging.

“Major institutions are ‘not far from the tipping point’ where any cut in government subsidy could have that effect,” said Dr. Michael Dixon, chairman of the National Museum Directors’ Conference, in the London Evening Standard article by Louise Jury, chief arts correspondent.

Thanks to the decade-old policy and ones before it, generations of children have grown up exposed to museums and top-notch art galleries. It also makes London a more inviting place and an international tourist draw, both for young people, study abroad students and visitors on vacation, said Sir Nicholas Serota, director of Tate, in an op-ed article which appeared in the London Evening Standard the same day. More than 50 million people visited the UK's national museums in 2010-11, he said.

According to Jury's article, "Ready access to such draws as the Victoria & Albert and Natural History Museums has also helped to generate tourism spending of £4.5 billion, with 85 per cent of overseas visitors citing heritage attractions as their reason for coming to the UK." Even visits to national museums such as the British Museum, National Gallery and Tate, which were always free, rose 22 percent over the 10 years.

However, Dixon and other conference members warned that the policy's huge success cannot be sustained without an adequate level of government subsidy. The conference represents all the leaders of the big institutions.

"You can never generate enough money to run these institutions from commercial and philanthropic sources alone," said Dr. Dixon in the article. "If government subsidy falls below a certain point then the choice you've got is to stop doing some of the things you do, or charge for some of the services. We're not far from that tipping point."

As the qualitative research from interviews in this paper will substantiate, some galleries have already cut staffing and opening hours, and many charge for temporary exhibition. Curators and museum directors also have felt the pressure to run museums in a more businesslike fashion – rather than simply focusing on the cultural, historical and national importance of

preserving their collections. The shift has occurred over the last decade, even at the nationally funded museums.

Author Paul Martin discusses the conflicting role of business manager and curator in his 2001 “Popular Collecting and the Everyday Self: The Reinvention of Museums?”

Within the museum world, we can see a shift, obliquely suggested in this book, in the role of museums and curators. Often the curator is not necessarily a subject specialist but a manager of a museum. However, publicly, the museum is still seen as a repository of specialist and local knowledge.

And, according to many curators and directors, the U.K. public is oblivious to the “bloody hard work” that goes into keeping these cultural institutions financially afloat,

“It’s all a very confusing picture,” said Hugh Belsey, Senior Research Fellow at the Paul Mellon Centre for Studies in British Art in London. “Museums sort of stagger on, they are always in a financial crisis. They have to prostitute themselves wherever the money is. It’s why education has become so important.”

Belsey served as co-curator and director of Gainsborough’s House, the museum and gallery at the birthplace of Thomas Gainsborough in Sudbury from 1981 to 2004. Gainsborough was the first important British artist to consistently paint landscape. Belsey is well-aware of the struggles and headaches involved in operating a small art museum with regards to museum finance, the management versus curatorial tension and the pitfalls of dealing with board governance. He estimated 80 percent of museums have had some sort of cuts in recent years, as it has “never really been a tradition in this country of having endowments or providing them.” He agreed with information released in a Museums Association’s cuts survey in July that revealed local council

authority and borough museums are probably hurting with regards to staffing and funding issues more than the large nationals with strong brands, international draw and busy cafés and gift shops.

Similar to the American tradition, UK museums do have members but focus more on friends groups and acquisitions from private collectors, Belsey said. The museum sector is “one of the best means of keeping tourism up in this country.”

Serota agrees, and one of the arguments he makes for free admission in his op-ed piece is the revenue generated by for-profit ventures. “What is not taken in entrance charges is spent two or threefold in museum bookshops, cafés and restaurants. And the economic benefit of our major museums and galleries to the nation is estimated to be £1.5 billion per year,” he said.

He presents some other interesting statistics to make the case that free admission is good value for the people of the U.K. and beyond:

- Broadly £1 in every £1,000 in the UK economy can be directly related to the museum and gallery sector.
- The 7 million additional overseas visitors now frequenting our museums spend on average £90 a day to the benefit of the wider UK economy.
- The £315 million thus generated far outstrips the cost of the policy.

Above all, they play an important part in the past, present and future quality of life of London by allowing people of all ages, incomes and countries to experience culture at its finest. Serota writes: “Access to our culture and national collections is now available to everyone, not just the privileged few. Our museums are uniquely egalitarian spaces. Whether you are rich or poor, the door is always open to the collections that are held in trust for everyone.”

A new Web site, www.lost-arts.org, is tracking the cuts to Britain's arts and culture sector. According to the Web site, £20,534,720 has been lost to the arts since March 30, 2011. Lost Arts has been set up by eight unions whose members will be directly affected by cuts to the Arts: the MU, Equity, BECTU, the Writers Guild of Great Britain, the National Union of Journalists (NUJ), UNITE, Prospect and PCS. Over the next three years to 2015, Lost Arts will: Record and catalogue all of the projects, events, initiatives, performances, organizations and companies that will be lost due to the cuts in public funding; keep a running total of the money lost to the Arts; and record the jobs under threat.

Cuts may be looming, but government support better than in US

Unfortunately, museums in the United States cannot boast of free admission and government subsidies on such a wide scale as the United Kingdom. The UK has legislation to financially support National Museums, along with other central government-sponsored programs such as Renaissance, which this paper discusses in-depth later. America's equivalent is the National Endowment for the Arts – the main federal funding stream dedicated to supporting excellence in the arts by awarding grants to states and independent artists. Established by Congress in 1965 as an independent agency of the federal government, the NEA is the largest annual national funder of the arts, designed to preserve public collections and bring art programs and art education to all 50 states, including rural areas, inner cities, and military bases. The nonprofit arts subsector and government-nonprofit collaboration that began in the 1960s and 70s hit a high-water mark in the early 1980s in regards to the delivery of public services, at least in terms of funding (Young, p. 51, 1999). As the federal government reduced National Endowment for the Arts and National Endowment for the Humanities grants, it shifted responsibility to state and local governments to

provide additional resources and forced nonprofit museums to refocus efforts on fundraising and new revenue sources (Wyszomirski, p. 189, 2002).

Funding for the NEA and NEH has been up and down over the last 16 years. The NEA budget hit a historic high of \$175.9 million in 1992 and then saw three years of steady decline, dropping to \$162.3 million in 1995 (Wyszomirski, p. 189, 2002). Between 1965 and 2008, the agency made in excess of 128,000 grants, totaling more than \$4 billion. From the mid-1980s to the mid-1990s, Congress granted the NEA an annual funding of between \$160 and \$180 million. In 1996, Congress cut the NEA funding to \$99.5 million as a result of pressure from conservative groups. For fiscal year 2008, the budget was \$144.7 million and increased to \$155 million in 2009. Funding levels climbed to what they were during the mid-1990s, reaching \$167.5 million in 2010, but fell again in 2011 with a budget of \$154 million.

The Reagan administration's policy initiatives and devolution of government into the early 1990s stripped nonprofits of vital income and left arts organizations in particular scrambling for ways to stay financially viable. In states such as Michigan, where the recession has hit harder than in other areas, the short-lived federal boost from President Barack Obama's American Reinvestment and Recovery Act was not enough to maintain state grant awards for the arts. Michigan's nonprofit arts sector has taken a severe blow when it comes to state aid. Subsidies from Michigan Council for Arts and Cultural Affairs, which issues grants based on funding from NEA, has fallen dramatically from its peak of nearly \$25 million in 2001 to \$2.3 million in 2010. That is down from \$7.6 million in grant awards the council made in fiscal 2009.

The debate over America's system of indirect government subsidies in the form of tax credits for charitable giving to support art museums versus direct government funding of art institutions

is examined in Tyler Cowen's 2006 book "Good & Plenty: The Creative Successes of American Arts Funding" and other literature. In most European countries, museums are heavily funded through direct government support. Such is not the case in America, and Cowen presents two different views of the argument for and against direct government subsidies for the arts with his "Decentralization Argument" and his "Prestige Argument." He explains the two positions in an attempt to find a middle ground of agreement between the art-lover camp and the libertarian economist camp in the early pages of this book (Cowen, 2006). He devotes a good section of the book to how the American tradition of private philanthropy, both individual and corporate, and the American system of indirect government subsidies through tax deductions for charitable donations and other tax incentives for nonprofit arts organizations has worked. "American arts subsidies frequently come in disguised form, but they are effective nonetheless" (Cowen, 2006, p. 31). He then frames this in relation to the larger issues of cultural and political policies of federal arts funding. Art institutions and individual artist's works have a political component as well due to the nature of artistic license and freedom of expression. The more government interferes or helps fund the arts, the more one could say it might try to dictate or control what a museum or other public institution wants to do with its holdings, exhibitions and future acquisitions. Looking at the big picture of federal funding, "the programs of the NEA are shown to be rather inconsequential, as they comprise less than ten percent of total direct government support, which is itself dwarfed by indirect support" (Schuster, 2006, p. 314). Book critic Mark Schuster's take on Cowen's overriding theme of the book: America's nonprofit arts structure and system of decentralization has pluses for many reasons, particularly that they allows for a wide diversity of artistic creativity without the threat of government interference (Schuster, 2006, p.

315). Top-down, planned policy and government dependency for funding can conflict with organizational mission and vision, and individual artistic license and freedom. Cowen believes in “the values inherent in innovation, entrepreneurship, and charity and generosity, and in his view these are fostered best by a highly decentralized system of arts support” (Schuster, 2006, p. 316).

While there is literature on the problems with public financing of American museums, many articles focus in on very detailed research regarding one aspect of the issue. For example, the article “Art Museum Attendance, Public Funding, and the Business Cycle,” provides some good background information on the larger issue. Skinner et al (2009, p.491) open with this:

Virtually all museums in the United States, especially art museums, face major problems funding all of their many functions. Many industrialized nations of the world provide high and growing levels of support for museums, but the United States has not followed suit.

Could the UK be moving to a more American-model?

As the global economic meltdown continues, government officials in the United Kingdom have started looking for ways to reduce spending and cut programs and services. Changes to central government’s financial support of arts and cultural organizations are taking place. It has been a hot topic among top officials, curators and academics in the museum field. Talk of the future sounds similar to what is heard in America regarding the erosion of government support, leading to an often unrealistic focus on fundraising and tension between education, curatorial and financial goals.

Pressure to find new revenue sources for Britain’s museums and the austerity cuts plaguing the sector have gained attention in recent years, forced changes to the Renaissance program this past summer and been highly publicized in the news throughout the year, with

blogs, stories in newspapers and professional publications such as the Museums Journal. The journal's July/August edition on pages 4-5 highlights the depth and breadth of the issue with headlines such as "Future of core museums model comes into doubt," "Museums Association exposes depth of local authority museum funding cuts" and "New campaign document losses in cultural sector." Editor Sharon Heal even wrote an op-ed piece titled "Protests against cuts need more direction," in which she shared information being gathered and disseminated via a new Website, The Lost Arts, and the first findings from the Museums Association's cuts survey. "And the picture, as you might guess, is not pretty. The Lost Arts website is keeping a running total of cuts to the arts over the next three years. At the time of writing, it was more than £20m – a figure that will only rise" (Heal, p. 4).

The initial results from the MA's cuts survey cast a pretty grim cloud over the sector as well; 40 percent of the local authority museums that responded said they had reduced the number of staff by 10 percent in the past year. The full survey released July 20 also exposed closures, cuts to hours, the introduction of entrance fees and increasing fees for services such as school visits (Heal, p. 4).

In an article "Public Financing of the Arts in England" from Fiscal Studies in 2000, author Alan Peacock describes the method, amount and composition of public financing of the arts and heritage services in England during the 1990s. In the article abstract, he writes "the presence of 'market failure' has been widely accepted by successive governments and their advisers, but attempts to remove it have encountered the familiar problems of ensuring allocative and technical efficiency when production subsidies are the main policy instrument." At least since World War II, after the establishment of the Arts Council of Great Britain, it was accepted as the

task of government to support cultural activities (Peacock, p. 173). The trend started back in 2000 for public bodies to “produce reasoned arguments and not merely patrician effusions” justifying their claims for funding. Welfare economics provides a convenient framework for presenting such statements and for summarizing professional economics discussions of art questions (Peacock, p. 172). According to a table presented on page 179, total direct expenditures for the arts in England ranged from £1,578,000 in 1993-94 to £1,755,000 in 2001-02. It also demonstrates the relative unimportance of expenditures on the arts within total government expenditure and as a percentage of England’s GDP (Peacock, p. 179). A third table compares direct expenditure on the arts and museums from selected countries as a percentage of government final consumption on spending. In 1995, the United States spent .13 percent versus the UK’s .65. Arts spending as a percentage of GDP was .02 in the United States compared to .14 in the UK.

History, political and educational role of sector

Many books have been written on the topic of the U.K.’s museum system with regards to collecting, preserving and showcasing cultural property, the museum’s role in the shaping of knowledge, the political rationality for museums, and museum visiting as a cultural phenomenon. These topics are discussed in books such as Tony Bennett’s “The Birth of the Museum: History, Theory, politics,” “The New Museology,” Brandon Taylor’s “Art for the Nation: Exhibitions and the London public 1747-2001,” and Eilean Hooper-Greenhill’s book “Museums and the Shaping of Knowledge.”

From the outset, and likely one of the reasons why museums receive so much central government support, is the fact museums were used to perpetuate Britain as a wealthy and

powerful empire, said Michael Robinson, professor of the Museums and Galleries course for Kingston University's summer school program. Robinson is also an art historian and art dealer and teaches at Oxford Brookes. Historically, museums and art galleries were established with the idea of not charging people. During the 19th century, museums throughout Britain were intended to educate both children and adults. The monarch and government's national interest involved presenting an image of superiority and royalty, Robinson said. That is why many institutions – take the British Museum and V & A – showcase the country's artifacts gained by explorers, military and other conquests and private collectors as well as public donations, according to Robinson.

England experienced free museums for many decades until the late 1970s and early 80s, when the government tried the experiment of charging, Robinson said. Attendance dropped and that was a “disaster,” he said. During the Thatcher years of 80s and 90s, she worked to get more corporate sponsorship and business involvement in the arts. The real breakthrough came in the mid-1990s with the launch of the National Lottery. The Heritage Lottery Fund continues to be a big funding stream for the arts and culture sector, as Peacock even wrote in 2000 that “the sums used or distributed by these bodies (Arts Council and Heritage Lottery Fund) have become substantial (Peacock, p. 176).

As this paper explains, some museums are free to all ages, while others charge for special exhibitions or for adults but not children. For example, the main Imperial War Museum on Lambeth and the IWM North in Manchester are free to all ages. Other branches such as IWM Duxford, the HMS Belfast on The Thames and The Churchill War Rooms are free for children but charge admission for adults. Additionally, on brochure materials, the IWM promotes

membership in the Friends of the Imperial War Museum. The group supports the work of the museum across its five branches. Since its founding in 1987, the Friends has donated £300,000 to fund conservation and education projects and assist with acquisitions and major building projects.

Robinson said there has always been a push for children to visit museums to learn about British history. World War I and II are part of the school curriculum.

“We do everything we can to encourage children to come to museums and galleries,” he said. Robinson recalled going to museums as a young boy because they were free and he never got tired of learning. “We used to walk to the South Kensington museums and we’d have an absolute riot. We didn’t have much money at all. The fact it was free was a real reason for going there.”

The idea of culture capital and providing access to certain institutions for all classes became a social issue in the 1960s and 70s, Robinson said. The school system and government try to build into the national consciousness awareness for tradition, history and significance of the British Empire and monarchy system. Despite low literacy rates and reports that 1 in 5 kids in certain areas cannot properly read or write, Robinson said the museums and sites selected for the Museums and Galleries class were packed this summer.

And Robinson cited the Tate Modern as a “really good success story” with regards to visitor attendance, diversified funding and transforming an old power station into a facility worthy of protecting world-class art. The Tate Modern opened in May 2000 in the former Bankside Power Station – a prime location on The Thames near Millennium Bridge. It has the Tate brand name and features all modern art and 20th and 21st century art. According to the Tate’s 2009-10 annual report, an average of 13,000 people have come through the doors each day since 2000 – double

the pre-opening forecast – and the museum recorded its 45 millionth visitor before the end of 2010, making Tate Modern the third most visited free attraction in Britain and the most popular art gallery in the world (Tate 2009-10 report, p. 36).

Regarding funding, the Tate museum as a whole relies on a variety of philanthropic and commercial funding sources. Government funding accounted for 41 percent of general income in 2010, and remains the crucial foundation for operating costs as well as a way to generate additional funds (Tate 2009-10 report, p. 64). Members, patrons, corporate supporters and institutional and individual donors make important contributions, and philanthropic giving “continues to be fundamental to developing the collection and delivering Tate’s public programmes,” the report states.

A glimpse into the size, scope of government support and Britain’s museum system

Most of the national, well-known museums in London receive support from central government through acts of Parliament and keep admission free to promote tourism as well as the royal and military legacy of Britain. Smaller art museums and local authority, or borough-supported, institutions such as Kingston Museum are finding it more difficult to make the legitimacy pitch for competitive, public pounds. Dwindling government support has forced them to seek out new revenue, increase fundraising and Friends programs, and offer special exhibits and outreach programs to reach new audiences and prove educational and community value.

When Peacock examined public financing of the arts in England for his paper in 2000, he concluded “Government expenditure on the arts, including heritage and cultural programming in broadcasting, is ‘peanuts’ alongside the vast ‘empires’ of expenditure represented by defence,

law and order, health, and education, but it may fairly be claimed that the ‘DCMS and its sponsored bodies have more to do with people’s enjoyment of life than any other Government department’” (Peacock, p. 202). And, besides direct public funding, the Department for Culture, Olympics, Media and Sport (DCMS), in collaboration with other government departments and the Treasury, influences the arts and heritage through tax concessions, regulation of conservation and disposal of historical artifacts and copyright law (Peacock, p. 202).

As a sector, there are an estimated 2,500 museums in the UK. More than 1,400 museums are accredited by the Museums, Libraries and Archives Council (MLA). Registration under the MLA Accreditation Scheme signifies that a museum has achieved nationally approved standards in museum management, collection care and the information and services it offers to visitors. Accreditation shows that the museum is a suitable home for collections that are part of the country’s common heritage. There are several different types of museum, depending on how they are owned, managed and funded: Independent Museums (owned by registered charities and a rare few other independent bodies); Local Authority Museums (owned by town, parish, borough, city, or county councils and other local authority bodies); National Trust (properties of the National Trust or the National Trust for Scotland); University Museums (owned by universities); and National Museums (established or funded by central government). The remaining museums are a mix of English Heritage properties and museums associated with the armed services. The Department for Culture, Olympics, Media and Sport is responsible for directly funding 20 sponsored museums across England.

According to a recent report “The Museum Sector in England, its Working Context and Renaissance” written by Hedley Swain, director of programme delivery for the Museums,

Library and Archives Council, England's museum sector is "incredibly diverse and organic." It spans several hundred years and boasts historically significant and priceless artifacts, paintings, sculptures and documents from world-renowned artists, private collections, the country's monarchy and military conquests. Visitor numbers alone show the strength and reach of the museum sector in British culture and society. The large London nationals report annual attendance in the millions. Large regional, urban museums draw hundreds of thousands of visitors each year, and the majority of smaller, independent and local authority museums count their visitors in the low tens of thousands.

This paper primarily examines the various organizational structures of the different types of museums in and around central London since it is known throughout the globe as an arts and theatre mecca. Britain's vibrant and exciting capital city is home to many world-class museums and art galleries. There are more than 300 to choose from, ranging from the traditional to the hi-tech. Museums with name recognition and international appeal such as The National Gallery, Natural History Museum, V & A Museum, British Museum, Science Museum, and Imperial War Museum are free to enter. Others mentioned in this paper such as The Courtauld Gallery, London Transport Museum and Florence Nightingale Museum charge admission. For example, the city promotes Museum Mile, where visitors can take a walking tour and find fascinating insight into London's past and present. From King's Cross to the river Thames, this journey passes 12 of the city's most interesting museums and galleries and their equally diverse and significant collections. They include: British Museum, The British Library, Brunei Gallery, The Charles Dickens Museum, The Courtauld Gallery, The Foundling Museum, The Hunterian Museum at Royal College of Surgeons, The Library and Museum of Freemasonry, London

Transport Museum, Sir John Soane's Museum, UCL Museums and Collections, and Wellcome Collection.

“Marvel at 400 years of anatomical history at the Hunterian Museum and witness the forefront of medical science at the Wellcome Collection. From the intimate to the iconic, the local and global collections that make up Museum Mile promise inspiring discoveries for all,” according to the web site, www.museum-mile.org/uk.

To illustrate the complex nature of the museum sector, let us explore how a few of them are structured. For example, the V&A is a non-departmental public body, sponsored by the Department of Culture, Media and Sport, and is a charity exempt from registration under the Charities Act of 1993. The V&A has a funding agreement with the DCMS and receives core funding as “grant in aid,” on condition that it meets certain objectives, and measures performance in a variety of areas of work. However, about 40 percent of the V&A's income is self-generated through fundraising and commercial activities.

According to the “British Museum Management Statement and Financial Memorandum,” the British Museum was established under the British Museum Act 1963 and the Museums and Galleries Act 1992. It is also an exempt charity. The constitution body is set out in Section 1 of the British Museum Act 1963. The body does not carry out its functions on behalf of the Crown. The British Museum receives funding by virtue of Section 9, Schedule 7 of the Museums and Galleries Act 1992.

Almost all museums derive their funding from a variety of sources. Swain says this will increase in the future as methods of governance are blurring and “there is recognition that different models will fit different circumstances.” The country's 20 museums designated as

“national” have their own acts of parliament and receive money direct from central government and hold collections of national importance. According to Swain, they are some of the finest museums in the world in terms of their collections, curators, buildings and exhibitions and have an international reach with loans and financial contributors.

“There is no one typical museum or museum type,” Swain wrote in a recent paper on changes with the country’s Renaissance program. “A great strength of the sector is this diversity and the range of funding, governance, collections, staff and interpretation methods.”

The UK has about 400 university collections, of which 91 are accredited and regularly open to the public. University museums make a major contribution to the overall museum sector by providing a direct link to the higher education sector. One downfall is their funding is often vulnerable and also reliant on public funds (Swain, p. 2). There are more than 150 armed service museums, most of them celebrating regimental histories and the people and relatives of those who served as well as the communities in which they lived.

Renaissance program being revamped, MLA Council joining with Arts Council England

The majority of England’s museums are not nationally funded, but receive operating revenue through local authorities or borough councils. Others are designated as independent charitable trusts, meaning they are semi- or completely independent and rely on charitable donations and the equivalent of US grants to stay open. The Renaissance program has provided a major boost to this category in recent years. It is primarily delivered through funding agreements with more than 40 large museums and museum services in England’s nine regions on 198 different sites. Most of the Renaissance museums are local authority funded although a few are university museums or independently funded (Swain, July 2011, p. 2). Founded and developed in the 19th

century, these museums flourished on a wave of civic pride and international trade and wealth. They contain massive collections of incredible value and variety to both the country and regional and local communities. The Renaissance program is credited with transforming some struggling museums through staffing, building improvements and additional resources. Created in 2002, Renaissance's structure included nine regional hubs, each with a hub lead museum and four or five partner museums. This structure dissolved recently following the 2009 independent review and subsequent work by MLA, however, many of the regional and partnership projects and programs are still in place (Swain, July 2011, p. 2).

In a move to save costs, the MLA is being abolished and functions have been transferred to Arts Council England. This also translates into very big funding cuts for museums – up to 15 to 20 percent in arts and culture sector, Swain said. Officials have tried to make as many cuts on administrative services rather than front-line operations. The MLA employs 120 and 50 people will go to Arts Council England. Most jobs being eliminated are human resources and administrative positions.

Taking the hardest hit will be local authority museums, which comprises about 50 percent of the sector. Others are independent charitable trusts and university and military supported museums.

“It's a very mixed sector,” Swain said. “It becomes more and more blurred all the time.”

The vast majority of regional museums have not been the direct recipients of Renaissance funding. These organizations serve particular communities, places, interest groups; have multiple funding sources, and a variety of governance models. “They include some of the UK's best and most innovative museums,” Swain writes in his summary on Renaissance program. “Independent

museums have often led the way in finding new innovative ways of communicating with audiences and developing entrepreneurial models for delivering museum services.”

Created after World War II, Arts Council England came out of political and social circumstances. It renewed a sense of pride in art and culture and promoted an art is good theme, that England’s art is good and should be protected, Swain said. The MLA Council grew out of other organizations. It developed as a strategic government agency meant to offer advice to central government on arts issues. Other responsibilities included policy advice, accreditation standards and some consulting for troubled museums. About a decade ago, under the former government, there was a growing sense that regional museums were getting into a bad way, according to Swain.

While some museums feature items collected from the BC era, only 150 years ago, Britain was the richest country in Europe with a growing empire and political and military power. Rich industrial cities were willing to pay for great museums in the mid-1800s. Administered through the MLA Council, the Renaissance program developed as a result of this dilemma of drained and underfunded regional museums. Backed by £45 million per year, the MLA delivered the Renaissance program and had funding agreements with 45 regional museums. In every case, the money has never been more than 20 percent of a museum’s funding, but restructuring the Renaissance program will have ramifications for some museums. Renaissance was not designed to help museums pay their gas bill, but rather support “great new stuff” and education services, new exhibitions and public programs, Swain said. Each funding round, museums did have to submit new business models and bid for the money.

The current changes involve reducing the number of participating museums and making every museum bid to even qualify for a chance at funding. Arts Council England will have long-term relationships with 15 museums and another source of money that other museums will be able to apply for, Swain said. This is a major reduction from the 45 museums which included a few university museums and a few charitable trusts, but the current government has made big cuts to national museums as well as money distributed to local authorities. “It’s not good, but it’s not awful,” Swain said. “The last 15 to 20 years has been a very good period for museums in Britain.”

Local authority museums hardest hit

For curators of local authority museums, the job has become more stressful and there is an underlying conflict between the goals of education, preservation and funding, according to Peta Cook, curator of Kingston Museum who resigned in late July and worked more than 15 years in various museums across England. Borough councils are cutting budgets and programs and streamlining departments and services. Proving value to the borough council has become a new job responsibility and ongoing headache for curators.

“There are so many governance models,” Cook said. “A lot of museums are being torn apart. As far as the public is concerned, a museum is a museum is a museum.”

Independent charitable trust museums, which are the equivalent of nonprofits in America, are becoming more common in England and make up a big portion of the museum sector. They are independent of a core funding body and rely on donations, grants and other sources to keep the doors open. The Kingston Museum is an arm of the local authority, with a mission of collecting and exhibiting artifacts important to the royal Kingston area. Although governed by

local borough council and funded through appropriations from the council, “it doesn’t suffice to exist without advocating for worthiness to the community,” Cook said. “We try to be a community museum. We try to offer a community service.”

Similar to the Lakeshore Museum Center in Muskegon, supported in large part through a voter-approved millage, it also focuses on school programs with local children, especially those at-risk.

“We work with many different groups. We work with all the schools, which is vital to our survival. We try to use our heritage and our collections.”

Both Robinson and Belsey question whether local authority museums devote enough effort to drawing tourists and residents from throughout the greater London area out to surrounding boroughs. For example, Robinson does not think the Kingston Museum does a good enough job promoting itself as the former city where kings of England were crowned and the site of the coronation stone. Nor does he think the average person in Kingston understands the origins of the area’s name. There is also a coronation clock tower in nearby Surbiton, and both towns have direct and efficient train access from London.

“Sure schoolchildren go there, but it doesn’t have a cache,” Robinson said. “If you draw big numbers, you can make money in the cafés and gift shops. They have not addressed the central issue, ‘how do we actually get people through the door?’”

Cook would surely disagree based on her efforts to innovate and organize quality exhibits and education programs in recent years. Feeling the pressure to market the museum and expand community outreach, Cook said she has tried to think imaginatively about how to use the museum’s collections and reach new people in the community. “It’s a constant round of wait and

see if our budgets will be approved,” she said Cook has to report back to the borough council on how the museum is accomplishing its set aims and objectives.

Recently, Cook, curator for five years, planned a “groundbreaking” exhibition on the life and career of Eadweard Muybridge, a Kingston native who pioneered moving image photography, from September 2010 to March 2011. The project had many facets: An exhibition with objects never on display before and their proper conservation, original equipment such as a rare projector, a film, a book, a new Web site, www.muybridge.co.uk, and a learning program for 2,000 schoolchildren. The entire effort had a price tag of 77,000 pounds. Cook received a grant for 44,800 pounds through the Heritage Lottery Fund and raised the rest.

“It was so important we did it as an organization,” Cook said. “I knew this was a time of the council looking at the way (they) spend their money. I never sit on my laurels and know funding is guaranteed every year.”

In recent years, as the economy has continued to flounder, Cook said more of her job involved courting council members and pitching the value for taxpayer money. The museum’s volunteer pool is about 25 and, besides Cook, the staff includes three part-time staff members. There is another site with archives and a local history room that is accessible to the public that has three full-time staff member and houses all collections, books and other resources on local history. It serves people who are researching genealogy, family history, planning issues and legal documents.

The Kingston Museum service has in its care about 150,000 objects, but only displays about 200 at any given time. There has been talk of redeveloping the museum to include community gallery space and making the local history room more accessible to the public wanting to see

artifacts in storage, but that would involve more money, hours and staff, Cook said. Much of the collection only dates to the 1950s and 60s and does not capture the ethnic diversity of the community. For example, a large Korean population exists in the Kingston area but nothing representing that influx of people is in the collection, Cook said.

Kingston's museum and heritage service are part of the library service and administrative duties were merged under that department a couple of years ago as a way to cut costs. Similar to problems with many American museums, anything extra the Kingston museum wants to do, it has to seek out extra money through grants and sponsorships.

The day of my unannounced visit, an elderly, friendly gentleman and volunteer sat at the front desk at the museum and buzzed Cook when I explained I was an American graduate student and asked about an interview. He also started talking about his stints in America as part of the military. Later, upon a second visit after lunch, Cook sat at the front desk because she had no other staff to work it.

The museum does have a small Friends group that can raise money for the museum but it does not do a huge amount of fundraising, Cook said. In the museum field, she sees a trend toward increased pressure to raise money at the expense of curatorial expertise and functions. She believes more local authority museums will become charitable trusts, with less core funding coming from the government. That, or they will close completely.

“Interesting times but also unsettling,” she said. “The borough has no statutory requirement to maintain a museum or heritage collection. We're not secure. There's no local obligation for the council to keep us or deliver a heritage service in any form.”

Sector in transition as recession lingers and cuts loom into the future

While Cook paints a grim picture for some museums, Swain prefers to call it a transitional period for the sector and said most museums are solid and stable.

The short-term future for the museum sector looks to involve some struggle and downsizing. Most museum services will have to rethink how they do things, Swain said. This includes diversify income streams, a focus on philanthropy and maximizing profits available through restaurants, attractions and gift shops. For many regional museums that did not receive direct funds from Renaissance, it has been divisive and unfair. But Swain says the majority would agree that Renaissance and its different programs and project strands has strengthened the whole sector.

As a result of the changes to Renaissance, Swain agrees with Cook and also sees more local authority and regional museums moving to an independent governance structure and charity status. Swain said it has been tradition in the European model for museums to rely on direct public subsidies rather than make serious attempts to expand philanthropy and commercial activities on the scale of the American nonprofit system. The big museums in London such as V & A, British Museum and Tate are very reliant on public money but generate a strong stream of revenue from cafes, bookstores and gift shops. It is far easier for museums in London, with very strong brands, attractive facilities, and lots of visitors, to accomplish this, Swain said.

While Swain said “it will be a very long time before we move totally to the American model” of endowments, fundraising and charitable giving to fund the majority of museum operations, museum officials are under pressure to operate their organizations in a more businesslike fashion and track attendance and sales in areas such as the gift shop and refreshments. Swain, who formerly worked at Museum of London, spent much of his time there getting the records and

reporting current and maximizing areas of success. As an advisory arm, the MLA's job was never to keep every museum in Britain going, Swain said. It offered consultation to a handful of museums who called in a serious crisis, but usually that is when it is too late. He said the sector as a whole is fairly healthy and strong but some museums are poorly managed and do not have strong, long-term business models in place.

At the local and regional levels, sometimes museum specialists go at the expense of politics, leading to high turnover and a lack of leadership continuity. "Small local museums and small independents look quite vulnerable at the moment," he said.

The MLA council merging with Arts Council England involves "skimming up the workforce" by streamlining the two organizations and their strategic approaches, Swain said. And, museums have historically been a small part of public budgets – a line item that the public appreciates. "People don't see as paying for museums as a subsidy but rather as an investment," he said.

Swain doubts the government would ever charge admission at the big nationals. Free entry is a win-win for political and tourism interests. Since the objects are owned by the people of the UK, the logic goes they should have free access to see them and learn about the country's history and cultural diversity, Swain said.

Under the New Renaissance program introduced in April, there are four interrelated outcomes:

Core – A small number of locally funding core museums (individual or coalitions of museums in close proximity to one another) with outstanding assets will receive a portion of Renaissance resources as "national partnership funding." Core museums will have the

opportunity to plan for long-term and sustainable development. Selected for their nature and reach, they will support the wider sector and form innovative and capacity building partnerships. They will be major service hubs in England and located in a range of regions, but due to their nature are limited in number.

Challenge – A portion of New Renaissance resources will be devoted to a Challenge fund established to support improvement and sustainability among museums and cultural services other than in Core museums. The Challenge money can help funding bodies build successful services that benefit local populations and would be administered through a form of strategic commissioning program within a placed-based philosophy shaped by national strategies but delivered within regional and local cultural priorities (Swain, 2011, p. 5).

National Museum Development Network – New Renaissance also plans to maintain a nationally, coordinated, locally managed network of Museum Development, designed to support museums that are accredited or that aspire to accreditation. The program would support improvement in the many small museums that would not be equipped to become Cores or apply for challenge.

National programs – A small portion of New Renaissance resources will be used to support national programs that benefit and provide infrastructure to the front line. This includes national advocacy campaigns, the support of Accreditation and Designation, specialist networks and other specific programs.

As of April 2011, the hub funding model was replaced with individual funding agreements with the 44 museum services involved. They all received a 15 percent funding cut and are expected to transition to the new model by April 2012 with an understanding that any of the old

“hub” museums that do not receive Core or Challenge funding will have one further year of guaranteed Renaissance funding to ease the transition. Renaissance funds do not equal more than 20 percent of any museum service’s total budget. Overall, New Renaissance was designed to create national-quality museums in locations across England and a “framework of support to allow all museums to flourish if they aspire to excellence and have meaningful communities and audiences (Swain, July 2011, p. 6 of Museum Sector in England, its Working Context and Renaissance).”

University-affiliated galleries also under pressure to diversify, be more businesslike

The Courtauld Gallery is an example of a university-supported museum which receives government support because of its relationship with The Courtauld Institute of Art. A portion of the gallery’s budget comes from funding through the Higher Education Funding Council of London, along with income from admission, café, gift shop, event rentals and philanthropic support, said Dr. Earnest Vegelin van Claerbergen, director of The Courtauld Gallery. HEFCL, the body that funds higher education and universities, receives about £20 million from the government and awards Courtauld about £825,000 per year, Claerbergen said. The institute established the gallery for teaching and studying purposes, but it was always meant to have a public component and operates separately from the institute. The museum evolved through a major donation from Sameul Courtauld’s private collection, which is still owned by his trust and includes many famous Impressionist and Post-Impressionist paintings.

“As part of a wider entity, the gallery has to sort of fight its corner and make a case for itself,” Claerbergen said. “The trustees recognize the value the gallery brings to the Courtauld as

a whole. Having a museum with an internationally famous collection brings something to the Institute it would be hard to achieve otherwise.”

Operating in conjunction with The Courtauld Institute of Art, the gallery is considered one of the finest small art museums in the world with a collection of 550 paintings, 7,000 drawings and 20,000 prints, sculpture and decorative arts. It boasts masterpieces by Post-Impressionist painters Monet, Renoir, Cezanne, Degas, and others such as Van Gogh, Matisse, Kandinsky and Picasso. The Courtauld Institute of Art is among the world’s leading centers for the study of art history and a free-standing college of the University of London. The institute and gallery are housed at Somerset House on Strand in the heart of London.

As far as operations, the gallery’s governance is part of the larger art institute and saves on administrative costs such as human resources and finance based on its relationship with the art school. The museum has its own small staff of curators, registrar, conservator, marketing and security. There is a finance committee of the institute’s governing board which monitors fiduciary responsibilities and a gallery and exhibition steering committee to guide curatorial decisions. A new effort of the gallery has been to organize smaller, highly focused exhibits around masterpieces in the collection with loans from national and international museums and collectors, Claerbergen said. Throughout the summer, it hosted “Toulouse-Lautrec and Jane Avril: Beyond the Moulin Rouge,” an exhibition featuring permanent collection drawings and paintings from Lautrec.

There is ongoing anxiety among directors of university galleries about central government support and the continued HEFCL funding stream, Claerbergen said. “This is the area they could look at as a strange anomaly and ask ‘What’s this £20 million to fund museums about?’”

Just 18 months ago, the news of funding from HEFCL was “really quite alarming,” Claerbergen said. “It was certainly a wakeup call for those who were not awake about what the future might bring,” he said.

Thanks to strong lobbying efforts, that income is secure for the foreseeable future. It would be hard to cope without the money, Claerbergen said. “Courtauld, as a whole, is so small it would not be able to currently absorb the loss of that money.”

For this reason, the gallery has increasingly started to rely on fundraisers and philanthropy from wealthy alumni and patrons. More core costs are being funded through donations, Friends memberships and events, corporate sponsors and long-term giving. “There’s a big push in that area,” Claerbergen said. “We work quite a lot with trusts and foundations in England and individual supporters.” Fundraising also has become an important aspect of his job and working life.

In addition, The Courtauld Gallery raised its admission fee last year from £5 to £6. Besides the HEFCL money, the gallery generates an average of £450,000 annually through admission, another £15,000 to £20,000 from the café and £100,000 from the gift shop. The rest comes from the above mentioned categories, Claerbergen said. Besides not charging for special exhibitions, the museum also offers free hours from 10 a.m. to 2 p.m. on Monday. The gallery has always charged admission and it is a critical source of revenue for the museum due to facility limitations, Claerbergen said. The gift shop is across the walkway from the gallery, so visitors do not always see it, and there is a small restaurant on the bottom floor of a spiraled staircase. Neither has high visibility nor foot traffic from gallery-goers.

Echoing Swain's and Cook's sentiments, Claerbergen said there is pressure as a sector to diversify revenue sources and streamline operations. There has been an emphasis on the Courtauld to focus less on government funding and more on building up an endowment. "Government funding is only ever going to go one way and that is down," he said.

The institute and gallery have a growing development office, which plans to focus on securing major gifts and building endowments for Courtauld, he said. The gallery also has an annual fund drive and tries to plan for the long-term future, Claerbergen said.

"We wanted to be able to take control of our own destiny, really," he said.

Regarding the general state of museums, he said the view from London and the larger cities is that things are "broadly OK." At the local authority level, museum operations become more difficult. "It's much harder for those museums to make the case for themselves. You need a really enlightened local authority."

Luckily, The Courtauld has been spared from harsh budget cuts and is somewhat protected because it has an international reach and support of the art institute. The gallery loans out and borrows paintings and participates in exhibits throughout the world.

Conclusion: Debate to rage over endowments, philanthropy and sector's economic value

Even though central government-funded nationals appear safe for now, Belsey and others predict a greater emphasis on national museums to make more effort to raise their own money into the future, as austerity cuts are trending toward the "tipping point," according to the recent London Evening Standard articles.

That includes measures that are commonplace in America, such as securing corporate sponsorships and naming buildings and expansions after major benefactors plus building endowments as a way to raise operating revenue. For example, a major expansion at The National Gallery was paid for and named after the grocery giant Sainsbury. The Sainsbury Wing opened July 9, 1991 and was presented to the nation by the three Sainsbury brothers – John, Simon and Timothy – and over the past 20 years it has offered millions of visitors a fitting space in which to contemplate the National Gallery’s outstanding collection of early Renaissance paintings, according to <http://www.nationalgallery.org.uk/paintings/history/about-the-building/sainsbury-wing-20th-anniversary>.

In England, there is a general sense that people who want to donate money to fund an expansion wing or give a big painting do not do it out of the goodness of their heart but rather for self-glorification or stature and prominence, Robinson said.

There are stories of unselfish philanthropy, however, such as Charles Clore, a self-made businessman, Robinson said. His philanthropic trust, the Clore Foundation, is a major donor to arts and Jewish community projects in Britain and abroad. The Clore Gallery at Tate Britain in London, which houses the world's largest collection of the works of J.M.W. Turner, was built in 1980-87 with £6 million from Clore and his daughter and £1.8 million from the British government.

An op-ed piece in the London Evening Standard “Only the good and the daring merit an arts subsidy” on July 5, 2011, also discusses Culture Secretary Jeremy Hunt’s “obsession with private philanthropy as a fit replacement for public subsidy” (Jenkins, p. 14). A day earlier, Hunt announced plans for an Endowment Fund to provide revenue beyond the Arts Council and other

funding streams. It will have £55 million to distribute to fund endowments for arts organizations on the American model, according to the article. Venues can bid for half a million to £5 million to build up an investment portfolio to generate new operating revenue, which is commonplace among nonprofit museums in the United States. Author Simon Jenkins noted this money is separate from some £40 million being allocated to “catalyse” private current giving to the arts, to match money they raise themselves. “The two sums represent a sizeable shift in public subsidy from direct grants into incentives to private giving” (Jenkins, p. 14).

Jenkins argues that, for the most part, the arts should be supported by those who enjoy and benefit from them. “It’s not the state’s job to supply actors or directors with salaries, any more than it does novelists, rock musicians or footballers,” he maintains. “A curious class system has evolved that says some arts are worthy of taxpayer support and others are not (Jenkins, p. 14).

Jenkins questions the effectiveness of Hunt’s proposed endowment system, saying:

The endowment route is inefficient. It takes from the present on the dubious assumption that any future activity must be worth public subsidy, merely because today’s is. This detracts from the vital link between the creation of art and its audience, whether financed privately or publicly. It is well-intentioned, but it is money to the wrong place (Jenkins, p. 14).

From the tone of Jenkins’ op-ed piece, the debate over private giving and endowment income as a third force – beyond ticket sales or admission and direct government subsidy – to support the arts in England is only going to gain momentum as public funding declines. This should be an interesting trend to watch over the next decade, as it does not seem England has a strong tradition of individual philanthropy like we do in America. Cowen also mentions this in his book, “Good and Plenty: The Creative Successes of American Arts Funding:”

The Tate has raised significant American funds as well. To capture such donations, many British nonprofits now have American affiliates with tax-exempt status in the United States. Even a donation small by American standards can get an individual invited to prestigious British parties or placed on a British nonprofit board. Given the smaller scale of philanthropy in the United Kingdom, a donation of a given size brings more clout to the donor. Some European countries, such as France and Italy, hardly have private foundations at all, largely because of legal restrictions and unfavorable tax treatment (Cowen, p. 35).

A blog titled “The arts and cultural sector faces ‘apocalyptic’ cuts in austere Britain. But new ways of looking at economic value can help to make the case for culture” posted Jan. 31, 2011, on the London School of Economics and Political Science Web site talks about the importance of the sector finding ways to explain its importance in purely economic terms. Blogger Dave O’Brien argues that the sector should learn from the green movement in applying an economic valuation based-approach, which may help the sector to make a better case for culture in a time of austerity. “The fact remains that in a time where central government will be using cost benefit analysis to work out where the axe may fall, the arts and cultural sector may find that speaking the language of the economist will make their story much easier to tell,” he writes.

References

Interview with Peta Cook, curator of Kingston Museum, July 5 at the museum.

Interview with Dr. Earnest Vegelin van Claerbergen, director of The Courtauld Gallery, noon July 28 at his office, Somerset House, Strand.

Interview with Hugh Belsey, Senior Research Fellow at the Paul Mellon Centre for Studies in British Art in London. 8 a.m. July 21, Leicester Square area.

Interview with Michael Robinson, professor of Museums and Galleries for Kingston University's summer school program, at noon July 21 at Imperial War Museum café. Robinson is also an art historian and art dealer and teaches at Oxford Brooks.

Interview with Hedley Swain, Director of Programme Delivery for the Museums, Library and Archives Council. 2 p.m. July 21 at his office at the MLA Council, Wellcome Wolfson Building, 165 Queen's Gate, South Kensington.

Atkinson, Rebecca. (July/August 2011). "Museums Association exposes depth of local authority funding cuts." *Museums Journal*. Vol. 111, No. 7-8, p. 4.

Bennett, Tony. (1995). *The Birth of the Museum: History, Theory, Politics*. London and New York: Routledge.

Cowen, Tyler. (2006). *Good & plenty: The Creative Successes of American arts funding*. Princeton, NJ: Princeton University Press.

Heal, Sharon. (July/August 2011). "Editorial: Protests against cuts need more direction." *Museums Journal*. Vol. 111, No. 7-8, p. 4.

Hooper-Greenhill, Eilean. (1992). *Museums and the Shaping of Knowledge*. London and New York: Routledge.

Jenkins, Simon. (July 5, 2011). "Only the good and the daring merit an arts subsidy." *London Evening Standard*. p. 14.

Jury, Louise. (Dec. 1, 2011). "Free museums may have to start charging." *London Evening Standard*. <http://www.thisislondon.co.uk/standard/article-24016536-free-museums-may-have-to-start-charging.do>

Martin, Paul. (2001). *Popular Collecting and the Everyday Self: The Reinvention of Museums?* London and New York: Leicester University Press

Peacock, Alan. (June 2000). "Public Financing of the Arts in England." *Fiscal Studies*. Vol. 21, No. 2, p. 171-205.

Serota, Sir Nicholas. (Dec. 1, 2011). "Times may be hard but museums should stay free." *London Evening Standard*. <http://www.thisislondon.co.uk/standard/article-24016524-times-may-be-hard-but-museums-should-stay-free.do>

Steel, Patrick. (July/August 2011). "New campaign documents losses in cultural sector." *Museums Journal*. Vol. 111, No. 7-8, p. 4.

Steel, Patrick. (July/August 2011). "Future of core museums model comes into doubt." *Museums Journal*. Vol. 111, No. 7-8, p. 5.

Taylor, Brandon. (1999). *Art for the Nation*. Manchester: Manchester University Press.

Vergo, Peter. (1989). (ed) *The New Museology*. London: Reaktion Books Ltd.

Walsh, Kevin. (1993). *The Representation of the Past - Museums and Heritage in the Post-modern World*.

Wyszomirski, Margaret. 2002. "Arts and Culture," Chapter 5 (pp. 187-218) in Salamon, L. M. (Ed.). *The State of Nonprofit America*. Washington, DC: Brookings Institution Press.

Young, D.R. 1999. "Complementary, Supplementary, or Adversarial? A Theoretical and Historical Examination of Nonprofit-Government Relations in the United States." Chapter 1 in

Nonprofits and Government: Collaboration and Conflict, p. 31-67. Washington, D.C.: The Urban Institute Press.

“The Museum Sector in England, its working context and Renaissance,” by Hedley Swain.

“The Role of the Museums in the 21st century,” by Hedley Swain.

British Museum management statement and financial memorandum

<http://www.lost-arts.org/>

www.museum-mile.org/uk

http://www.tate.org.uk/about/tatereport/2010/tatereport_2010_largeprint.pdf

http://www.tate.org.uk/about/tatereport/2011/tate_report_2010-11-v2.pdf

<http://blogs.lse.ac.uk/politicsandpolicy/2011/01/31/arts-and-culture-economic-value-in-time-of-austerity/>

<http://www.guardian.co.uk/culture/culture-cuts-blog/2011/jun/15/arts-funding-public-sector-cuts>

<http://www.newyorker.com/online/blogs/johncassidy/2011/11/the-message-from-britain-a-failed-experiment-in-austerity-policies.html>