

Museum Advisers and Local Government Museums – Changing perspectives in England

1. Overview

Museums in the UK are undergoing considerable change due to the scale of cuts in government funds. This paper will outline the nature and scale of the changes, discuss the implications for museums, and explore how museum advisers in Yorkshire are responding.

2. Introduction

The museum sector in the UK is in a period of substantial change. Many museums are now changing how they are governed and Museum Development Yorkshire is assisting them in this process.

Museum Development Yorkshire is part of York Museums Trust (YMT) and is funded by Arts Council England. Using a team of Museum Development Officers and supported by the wider YMT staff, partners and associates, we support museums so they can improve the governance, management, operation and positioning of museums in the Yorkshire and Humber region in order that museums become sustainable and resilient organisations.

York Museums Trust is a charity that manages museums in the City of York on behalf of City of York Council. We were founded in 2002, and are now one of the largest museum charities in the north of England and amongst the 20 most important museums in the UK. Our turnover is currently £5.5m and we manage three museums, a contemporary art space, and historic garden. We are responsible for 1.5m objects and our collections are recognised by the UK government as being of national significance.

3. The Position of Museums in the UK

The regulatory system for museums in the UK allows many different types of organisation to run museums. In Yorkshire and the Humber this includes

- Local Government
- Independent Charity
- University
- Charity connected to the Army
- National Museum (charity connected to the Department for Culture, Media and Sport)

Although primary legislation exists to empower national and local government to run museums, there is no requirement for any part of local government to provide museums. In Yorkshire, approximately 43% of all museums are currently funded by local government ranging from major urban services such as Leeds (UK's third city) to small rural town councils. This equates to 73% of all local government organisations and 94% of 'top tier' authorities.

The economic crisis of 2008 and subsequent ‘austerity’ programme by the UK government is having a severe and sustained impact on museums funded by local government. Research by Museum Development Yorkshire suggests that services are experiencing annual cuts of 12% to budgets 6% to staffing. Some services now run on 50% less funding than in 2008.

The Local Government Association states that UK Councils are currently half way through a scheduled 40% cut in funding from central government.¹ As local government must deliver ‘statutory’ services, and cope with rising costs and service expectations, greater savings are expected from non-statutory services, such as arts and museums.

Because of this situation, many local government organisations are questioning whether, and if so how, they should continue to provide museums in their locality. Whilst few local government organisations want to see their museums close, many are reviewing whether they could transfer responsibility for running them to charities. Museum Development Yorkshire has been instrumental in supporting museums through this process.

4. *What is Unique about Museum Development Yorkshire’s Offer*

As part of York Museums Trust, Museum Development Yorkshire is the leading regional organisation advising local government museums about alternative governance arrangements. We are one of the few publically funded organisations in the country that provide this service without charge.

Museum Development Yorkshire is uniquely placed to provide this support due to the experience of its team and its position within York Museums Trust. YMT is one of the most successful museum charities in the UK and was formed in 2002, as an independent charitable trust to manage the museums previously run by City of York Council. The organisation is financially supported by the Council and is responsible for managing sites and collections. Since 2002, York Museum Trust’s turnover has almost trebled, visitor figures increased by 50%, collections care has improved, and major capital projects have been completed at every museum. All of this occurred with only limited change to the revenue budget from City of York Council. York Museums Trust embodies the resilience and success that other local government museums seek to emulate.

In addition, Museum Development Yorkshire’s staff team has developed its understanding of key issues relating to museum governance, including:

- Localism Act 2011²
- Companies Act 2006³

¹ <http://www.local.gov.uk/documents/10180/5854661/Under+pressure.pdf/0c864f60-8e34-442a-8ed7-9037b9c59b46> p.3

² <http://www.legislation.gov.uk/ukpga/2011/20/contents/enacted>

³ <http://www.legislation.gov.uk/ukpga/2006/46/contents>

- Charities Act 2011⁴ (England only)

As Museum Development Officers already have substantial experience in museum operation and collections management advice, this additional knowledge gives them a unique blend of skills. Other advisers, for example, struggle to appreciate the realities of operating visitor attractions and very few understand the complexities associated with collections.

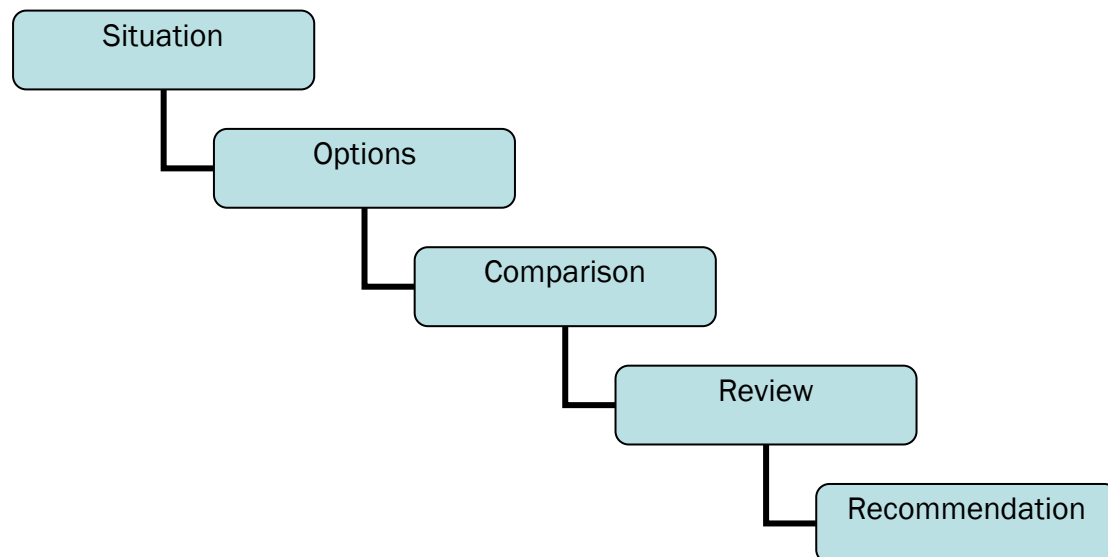
5. Supporting Local Government Museums to Review Governance: Methodology

5.1. Introduction

Museum Development Yorkshire sees its function as helping museum services to review and refine governance options. The team provides and manages a framework for informed decision-making based on local circumstances. The reasons for this are twofold:

- Museums have to be responsible for their own future, it is better for them to make active decisions from a position of knowledge.
- Museum Development Yorkshire's Museum Development Officers do not have legal or financial qualifications, they are museum professionals. Making specific legal and financial recommendations would increase the risk of litigation.

The methodology used by Museum Development Yorkshire to support governance review follows a standard consultancy path:



⁴ <http://www.legislation.gov.uk/ukpga/2011/25/contents>

5.2. Understanding the Situation

It is important that the museum involve appropriate personnel in the review. Many museums initially try to undertake this review in isolation either by retaining it at strategic level or by delegating it to operational staff. Museum Development Yorkshire seeks to work with a mix of strategic and management staff, such as:

- Heads of service
- Business managers
- Museum service managers
- Museum managers

This ensures that a comprehensive assessment can be made.

The second stage in the process is to understand technical issues and strategic priorities:

- What is the service trying to achieve?
 - Vision
 - Strategic priorities of local government
 - Objectives of the museum
- What are the drivers of the governance review?
 - Improve service
 - Deliver strategic priorities
 - Reduce cost
- What scenarios are unacceptable to the organisation?
- What technical considerations need to be made?
 - Employment law
 - Ownership of buildings (including requirements of funders, bequests)
 - Ownership of collections (including loans to and from the museum)
 - Taxation

5.3. Outlining Options

Once the priorities for the organisation are outlined, Museum Development Yorkshire reviews the options available to the museum. Due to the legislative framework in the UK, there are a limited number of organisation types that can be used by museums. Awareness of legal structures is generally limited, so Museum Development Yorkshire provides museums with an outline description of these organisation types and their common characteristics. These include remaining part of local government and transfer to specific types of charities, co-operatives, and private companies.

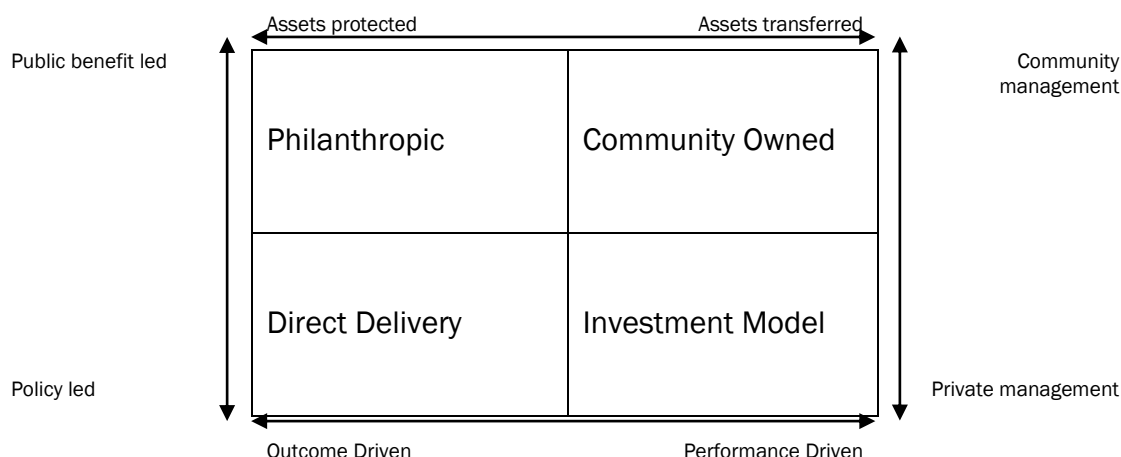
5.4. Comparison

Museum Development Yorkshire's model then goes into more depth which each governance model and provides a R(ed)A(mber)G(reen) assessment outlining the positive, neutral, and negative implications of each option irrespective of the policies of the museum. These tend to focus on the practical implications of working within that governance model such as access to finance, contracting implications, and potential personnel issues. This allows the museum to

understand the reality of working within a particular structure. Sometimes operational realities are instrumental in the decision making process when a small number of options are being considered.

5.5. Reviewing Governance Models

The museum organisation is then supported to review and score each option against their own agreed priorities. Initially Museum Development Yorkshire will develop a behaviour matrix to confirm assumptions⁵.



Museum Development Yorkshire's experience suggests that local government and museums are often unaware of their ethical or policy requirements as they are embedded within the culture of their organisation. For some local government organisations, the exploitation of civic heritage assets for private commercial gain is untenable, whereas for others the lack of ability to control policy engagement is uncomfortable. Due to this, it is important to be able to visually plot the implications of these core principles.

Subsequently, Museum Development Yorkshire supports the organisation to score the potential governance models against their own priorities. In order for the museum to understand and own their decisions, it is important that they are responsible for this assessment. To help with the process of assessing the options, a scoring system is used, allowing the museum to see the relative merits of each option in a systematic manner. Museum Development Yorkshire uses grouped criteria and a weighted scoring method to ensure an objective assessment of the options.

In order to achieve a balanced decision, most organisations are advised to use weighted groups reflecting:

- Local government objectives e.g. specific policies relating to the area e.g. 'active citizenship'
- Museum priorities e.g. attracting visitors, caring for collections
- Organisational development priorities e.g. creating new ways of working, new exhibitions

⁵ Adapted from MLA (2009) *The opportunity of devolved governance for museums, libraries and archives*

Total weighted scores	Status Quo	New Charitable Trust	Sub-trust of Large Charity	Private Sector
Core local government objectives				
Museum priorities				
Organisational development priorities				
Total⁶				

5.6. Recommendation

By using a mixture of qualitative and quantitative assessment methodologies, Museum Development Yorkshire, and the local government museum is able to identify which governance models are inappropriate for that organisation. In most circumstances, the museum is left with one or two models that score well and Museum Development Yorkshire recommends that these be subjected to a robust feasibility study. This more detailed assessment should confirm whether the model(s) are both legally and financially viable. Legal and financial advice is beyond the remit of Museum Development Yorkshire and has to be secured from another, usually private sector, provider.

6. Common Findings from Governance Reviews

Museum Development Yorkshire has now completed governance reviews for a third of all local government museums in the region. From this process, a number of common factors have emerged.

It is essential that museums involve the right people in a review process. The most successful projects have involved a mixture of strategic and operational management staff. These are commonly

- Heads of service
- Business managers
- Museum service managers
- Museum managers

It is important for the reviews to include key decision makers otherwise the context of key recommendations are lost.

Local government is being encouraged by central government and sector support groups to change the governance arrangements of museums. This is leading to a distorted picture about the implications of becoming a charity, mutual or private sector organisation. In many instances, the benefits desired by local government can be achieved within the existing governance model but require uncomfortable decisions to be made by elected officials.

⁶ Adapted from Renaissance Yorkshire (2008) *An opportunity for change: Exploring the trust option for museum services*

Three factors frequently impede governance reviews or require that potential solutions be rejected:

- Poor collections and asset management cause significant problems when changing governance. Where museums are unclear about the status of loans, bequests or legal ownership (including copyright), it can be difficult to change governance. Without the local government organisation offering indemnity from prosecution to the new organisation, liability from prosecution can be too risky. In some instances, the costs of improving collections management prior to asset transfer can negate potential savings.
- Tax savings are not always as desirable as they initially appear. In the UK, charities can secure an 80% discount on certain local taxes. Whilst this initially appears advantageous to local government, it actually causes a budget cut to another department in the same organisation.
- 'Management costs' can be instrumental in effecting a successful change in governance. Museum Development Yorkshire recommends that the full costs of running a museum be considered as part of the financial package when changing museum governance. This includes, management, property maintenance, HR, IT, legal and finance costs. In some instances, the local government organisation is unwilling to devolve the proportion of these costs to the new organisation or requires that those services continue to be provided by local government.

7. Key Success Factors when Changing Museum Governance

Due to its experience of operating within a local government funded museum charity and advising other organisations on governance, Museum Development Yorkshire has identified a number of common factors that contribute to the success of such ventures. Whilst not all factors need to be present, the chances of success are increased if the following conditions are met:

- A clear vision for the museum over a medium term period should be in place to allow for the most appropriate governance option to be identified.
- Support by elected members, senior council officers and service officers.
- Recognition that any cost savings achieved through a change of governance will be long term and there will be short-term one-off costs as part of the legal process.
- Clear belief that the resulting service will be an improvement for the council, the museum, and its users.
- An understanding of the true costs of running the museum service, e.g. the costs of senior management, HR, finance, legal, marketing, etc. The devolving of the associated resources is essential.
- An understanding of any legal issues that would have a direct impact on whether change is possible, for example any restrictive covenants on building or collections.
- An understanding of what needs to be in place to comply with tendering and competition regulations.

- An understanding that there will be staffing issues - a strong change management plan needs to be in place that involves trade unions.
- Time needs to be invested early in the process with sufficient lead and lag allocated throughout any transfer
- Clarity over what exactly is being devolved, how and to whom
- Any resulting agreement needs to be clearly defined, supportive and forward thinking; it should be based on outcomes rather than processes
- There may be the need for a dual governance process during a transition period.

8. *Implications for Museum Advisers*

Museum Development Yorkshire as part of York Museums Trust is one of the leading teams in this field within England. Within England, public sector austerity measures and the policy implications of a centre-right government will mean that more local government museums will need to review their governance. This will be due to either budget considerations or the policies of elected officials. Museum Development Yorkshire believes that this is an area of growth for museum advisers and one that they are well placed to exploit.

Without the input of museum advisers into these processes, there is a risk that museum organisations could suffer. Traditional sources of governance advice within the UK often fail to appreciate the nuances of museums, particularly the split personality of being a visitor attraction, educator of society and a conservator of buildings and objects! In many instances, it is the insights of museum advisers into collections management and care that are instrumental in influencing these discussions as few other organisations have such knowledge.

As with many other aspects of museum advisory work, museum governance is a specialism. It is not an area of work that can be provided easily or quickly due to the risks that it can pose to advisory organisations. If we are to advise local government on museum governance, advisers need to diversify their skills base to make sure that collections are cared for and visitors entertained and educated into the future.