



## SNAPSHOT – 07

# MANCHESTER CITY ART GALLERY



[MANCHESTERARTGALLERY.ORG](http://MANCHESTERARTGALLERY.ORG)

### THE YVAN WORKSHOP AND WEBINAR TALKED ABOUT 'READINESS' TO CLAIM MGETR – HOW DID YOU PREPARE?

The gallery is owned by a Local Authority, and therefore not eligible to claim MGETR, because Local Authorities are not under the charge for corporation tax. That meant we knew we had to set up a new company, wholly-owned by the Local Authority, to act as the primary production company for our claim.

Manchester City Council has quite a lot of experience in setting up this kind of special purpose vehicle, so we weren't introducing a new concept.

We knew that there were two time constraints that we had to think about. One was the fact that under the current legislation, MGETR will end for expenditure after 31<sup>st</sup> March 2022. The second was that, in order to get the most out of the claim we were planning to make in 2021, we needed to get the

Manchester City Art Gallery is the municipal art gallery, owned by Manchester City Council and housing the city's collection of over 25,000 objects of fine art, decorative art and costume, developed over 200 years and still growing. It runs an exhibition programme of work by new and established artists, and associated learning and engagement programmes.

company set up and claim while the activity was still eligible. The cut-off point is two years after the end of the financial year when the activity took place. The decision was formally made by the City Council Executive Committee on the 11<sup>th</sup> March, 2020. So there was some time pressure to do it, and to get it right.

## WHAT WILL THE RELATIONSHIP WITH THE LOCAL AUTHORITY LOOK LIKE NOW?

The company is called Manchester Art Gallery Exhibition Productions Ltd. It has one shareholder, which is Manchester City Council, and a Board of three Directors made up of council officers, who carry out the day-to-day management and operations. The company gets secretariat support from another wholly-owned vehicle — Manchester Professional Services Ltd — for which it pays a small fee. Because the income of the company is almost entirely from the city council, the production company is classified as a “Teckal company” — so subject to a different set of procurement rules to outside companies. The new company charges Manchester City Council for the use of its staff and facilities, so there isn’t any complicated transfer of staff to the new company, or issues about terms and conditions.

## WHAT SUPPORT AND GUIDANCE DID YOU HAVE?

We learned a lot from our colleagues at HOME, who have benefited from Creative Industries Tax Relief for number of years first through Theatre Tax Relief and now through the MGETR. We could see that the benefits to HOME were not just in claiming against the producing costs, but also a fair apportionment of staff costs, and “lost opportunity” hire charges for rehearsal and gallery space whilst production are in development. We could see that the level of tax relief achieved has been genuinely transformative to their business model.

They also introduced us to the short-form contract template that they use for the commissioning of exhibitions, which was produced for them by an LLP specialising in the Creative Industry Tax Reliefs.

## WHAT IMPACT DO YOU THINK MGETR WILL HAVE ON YOUR PROGRAMME?

We think it will secure a net benefit of at least £40,000 a year, which will go some way to addressing the decrease (by 65% over the past 8 years) in the gallery’s exhibition budget, and help to support our fundraising target.

## HOW MIGHT YOU SPEND THE RELIEF CLAIMED, IF IT WERE TO CONTINUE BEYOND MARCH 2022, AND IF THE RATE OF RELIEF WERE DOUBLED TO HELP MITIGATE THE IMPACT OF COVID-19?

In the current economic climate all funding is welcomed, and as a public funded body we have a responsibility to draw on all support that’s available. Without a doubt, this will provide much needed additional resources to help support and sustain the gallery through the challenging times ahead.

TO JOIN OUR MGETR  
SLACK WORKSPACE,  
CONTACT:  
INFO@YVAN.ORG.UK



FOR FURTHER  
INFORMATION CONTACT:  
PROJECTS@YVAN.ORG.UK  
WWW.YVAN.ORG.UK



YVANetwork



Supported using public funding by

ARTS COUNCIL  
ENGLAND

