

**Museum
and Galleries
Exhibitions
Tax Relief**

Action Research into the
Uptake and Impact of
Museums and Galleries
Exhibition Tax Relief
Phase Two

**Yorkshire Visual Arts Network
with Contemporary Visual Arts Network
November 2020 – July 2021**



YVANetwork

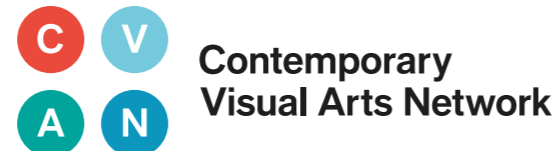
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Download
Executive Summary

Key Abbreviations:

ACE
Arts Council England

ACNI
Arts Council Northern Ireland

ACW
Arts Council Wales

AFP
Annually Funded Programme
(Northern Ireland)

CI
Creative Industries

CITR
Creative Industries Tax Relief

CPD
Continuous Professional
Development

CS
Creative Scotland

CVAN
Contemporary Visual
Arts Network

HMRC
HM Revenue and Customs

MGETR
Museums and Galleries
Exhibition Tax Relief

NPO
National Portfolio Organisations
(England)

RFO
Regularly Funded Organisations
(Scotland)

SSO
Sector Support Organisations

TTR
Theatre Tax Relief

YVAN
Yorkshire Visual
Arts Network

Methodology:

We have used a grounded and blended methodology of online desk research using current published data from the arts and museums sector, intelligence gathered from a series of fifteen case studies, an evaluation survey of organisations who participated in the Pilot and Phase 2 support activities and four themed webinars including one targeted at the accountancy sector.

We have located report Recommendations as part of a post-Covid-19 recovery with consequent opportunities for digital or blended exhibition production as part of long term strategic plans.

This Executive Summary uses a stratified analysis of sector uptake over the first two years of MGETR operation (2017–20). Where possible, it includes headline figures of MGETR claimed over the period 2020–21 (signified as †) which reflect to a large extent the impact of Covid19 on the UK museum and gallery sector through successive lock-downs.

<https://www.gov.uk/government/statistics/creative-industries-statistics-august-2021/creative-industries-statistics-commentary-august-2021>

Research Areas

- Identify, support and mobilise the arts and museum sector to take maximum advantage of MGETR.
- Determine the barriers to engagement with MGETR, particularly for smaller organisations, and make recommendations that address identified barriers.
- Build evidence base of the impact of the MGETR on organisational behaviours.
- Provide an evidence base for the removal of the sunset clause and continuation of the MGETR in line with other Creative Industries Tax Reliefs.
- Ensure the Tax Relief reflects contemporary practice and organisational models, particularly in light of any changes brought about by Covid-19.
- Provide free, shareable resources for ongoing support.

MGETR PHASE 2 DELIVERED

- 641** regularly funded organisations manually cross referenced
 - 366** organisations identified with high probability of MGETR eligibility
 - 9** CVAN regions and home nation peers reached out to eligible organisations
 - 138** museum and gallery sector professionals attended webinar programme
 - 4** themed online webinars (3 with HMRC)
 - 10** webinar speakers as sector peers and advocates
 - 2** accountancy companies providing MGETR technical support
 - 8** additional extended case studies on sector impact (15 in total)
 - 35** organisations surveyed on programme and MGETR impact
 - 5** advocacy presentations to museum and gallery specific sector networks
 - 4** videos providing online CPD support
 - 4** teaser videos by sector peers created for the social media campaign
- GET Involved, GET Organised, GET Funded

SNAPSHOT – 12

PEER



PEERUK.ORG

PEER is an independent arts organisation that has evolved from the ground up over the past twenty years, putting down deep roots within the socially, culturally and economically diverse area of Hoxton in East London.

To date they have worked with nearly 150 artists, writers, curators and educators. PEER's big aspirations and modest size offers both emerging and established artists the opportunity to test bold ideas in an intimate environment that stimulates experimentation and dialogue.

WHAT HAS BEEN YOUR EXPERIENCE OF THE MGETR SCHEME?

We were first made aware of it through our Arts Council Relationship Manager at a Board meeting in late 2019. We hadn't seen any government guidance about it. Suddenly with the Sunset Clause getting closer, it was everywhere! We looked into the HMRC guidelines and spoke to Southwark Park Galleries (London) – which is a similar size to us – about how they dealt with

it and they said it was different from any other financial reporting that they had done before. They shared a template about how they managed it but it was complicated. We don't have a finance team, and if you don't have the finance software it is not possible to submit a claim – this is not made explicit anywhere in the guidance. Initially we were working with a bigger accountancy firm but the costs would have been a significant proportion of what we could claim back

so we put it on hold. We then went to a CVAN webinar in June 2020, where Rebecca Huggan from Newbridge Project put us in touch with an accountant called Pete O'Hara in Newcastle. Though a one-man-band, he understands and works with small arts organisations on their claims and has helped us make our claim.

Image: External view of PEER, showing Kadija's Garden and Chris Ofili's public clock 'Black Hands'. Photo: Deniz Guzel

GET Involved GET Organised GET Funded



Click to view all 15 MGETR case studies

JUNE 2021 MUSEUMS AND GALLERIES EXHIBITION TAX RELIEF • CVAN PILOT PROGRAMME

Contemporary Visual Arts Network

SNAPSHOT – 15

ARTANGEL



ARTANGEL.ORG.UK

WHAT HAS BEEN YOUR EXPERIENCE OF THE MGETR SCHEME?

We've claimed Film Tax Relief for 3 recent films accounting for around £200K in returns; once for MGETR where we gained the maximum of £25K; and we've claimed Theatre Tax Relief twice, gaining £175K back across both claims. So in total we've claimed back about £400k across all reliefs.

Image: Alterness 2021. Photo: Jonny Pitts

GET Involved GET Organised

MARCH 2021 MUSEUMS AND GALLERIES EXHIBITION TAX RELIEF • CVAN PILOT PROGRAMME

P. 1 OF 3

Contemporary Visual Arts Network

Museum and Galleries Exhibitions Tax Relief

SNAPSHOT – 08

DUNDEE CONTEMPORARY ARTS



DCA.ORG.UK

Dundee Contemporary Arts (DCA) is an internationally renowned centre for contemporary art that enables audiences, artists and participants to see, experience and create through four programme areas: exhibitions, cinema, print and learning. With two large-scale gallery spaces, two thriving cinema screens, a busy print studio, an award-winning learning programme, it runs a packed programme of events, workshops, classes and activities aimed at all ages and abilities. DCA's vision is to enrich people's lives through art, culture and creativity.

WHAT HAS BEEN YOUR EXPERIENCE OF THE MGETR SCHEME?

We were aware of tax reliefs generally because the director had experience of the Theatre Tax Relief from a previous role, but MEGTR was more word-of-mouth as

Exhibitions are only 1 of 4 programme areas we manage and the exhibitions programme runs at 275K per year.

We've had two claims to date averaging at £25K per year, so we claim back 10% of outlay.

MARCH 2021 MUSEUMS AND GALLERIES EXHIBITION TAX RELIEF • CVAN PILOT PROGRAMME

Contemporary Visual Arts Network

SNAPSHOT – 11

CHISENHALE GALLERY

INTRODUCTION

The Report

The following report summarises the activities delivered by Yorkshire Visual Arts Network (YVAN) in partnership with Contemporary Visual Arts Network (CVAN) to promote, advocate for, and analyse the uptake and experience of the MGETR in the UK. We have sought to demonstrate and recognise the breadth of 'activity type' of all potential claimants and illustrate the positive impact of MGETR on the museums and gallery sector.

The MGETR Phase 2 report will demonstrate where HM Government's investment through the tax credit scheme is a positive stimulus in unlocking creative risk-taking, R&D and innovation models in exhibition content, formats and contexts.

Since the introduction of the Relief in 2017, £34 million has been paid out to 415 claims, supporting 2,910 exhibitions. In 2020–21, 190 claims supported 1,555 exhibitions, receiving £14 million from HMRC.

This, in turn, supports the UK's internationally acclaimed artistic and curatorial talent pool and brings significant investment to retain the status and profile of UK museums, galleries and the arts as creative industry world leaders.

MGETR Phase 2 included an interdependent series of interventions including CPD webinars with HMRC, evidence collecting and campaign work to 'spread the word'. In MGETR Phase 2, we ensured that all museums and galleries across the home nations were included.

We undertook detailed data analysis and hand-matching of datasets to produce lists of individual organisations with the potential of meeting MGETR eligibility criteria. Data mining also enabled an analysis of trends and patterns of MGETR uptake.

MGETR Phase 2 helped shape the agenda for a series of MGETR Partner meetings led by CVAN National to engage its broad constituency and ensure maximise uptake of the tax relief. Partners included Scottish Contemporary Arts Network, Visual Arts Network Wales, Visual Arts Network Northern Ireland, Arts Council England and Department for Digital, Culture, Media and Sport, with museums and arts partners The Crafts Council, Plus Tate, Museums Association and Association of Independent Museums.

The webinar programme and MGETR Partner meetings were a highly valued opportunity for sharing findings and to understand the immediate impact and benefits to MGETR beneficiaries and their sector networks.

One barrier to MGETR adoption, as cited in both the MGETR Pilot and Phase 2, is the sunset clause review by HM Treasury originally set for spring 2021. With this uncertainty and perceived as a time limited opportunity, organisations were not confident to commit to the complexity of a first claim, only to find that the scheme had been withdrawn.

In response to rapid transition of in-venue exhibition into digital content and online platforms due to public lockdown of museums and galleries in 2020/21, digital exhibition development is considered here as a key enhancement to the existing MGETR eligibility criterion.

For this report Digital or Digital Commissioning is defined as any artwork, or integral part of an artwork, that is commissioned, designed, and presented solely on a digital distribution platform. This includes, but is not limited to, emergent platforms such as virtual reality, social media, gaming, and web based or handheld platforms that use 3D and augmented reality tools.

Not only is digital exhibition development of key relevance in these precarious times, but a case for making digital exhibition eligible needs to be made for the long term. Creative digital has now, and will increasingly have, a significant impact on innovation, relevance and resilience in the museum, gallery and visual arts sector, with wider impacts on UK global soft power and creative industry supply chain growth.

This study offers an examination of the MGETR as part of Government investment into the whole arts ecology and its future pathway.

1.2

Pilot Programme as Context for Phase 2

○○ **The MGETR gave us unrestricted funds which were unexpected, and we certainly found that the process of gathering the financial information and submitting a claim took less energy and time than writing a funding application for a comparable amount.**

The money enabled us to grow our small staff team, and we employed an Admin & Marketing Assistant to work with us for 2 days a week. This salary will be supported annually by our MGETR claim, and the amount received in the 2018–19 year would actually have covered the salary for the role for a 3 year period.

Rebecca Huggan, Director, The Newbridge Project
Pilot Phase case study, 2020

Yorkshire & Humber Visual Arts Network (YVAN), as Museum and Gallery Exhibition Tax Relief lead for Contemporary Visual Arts Network (CVAN), delivered a Pilot Programme of evidence gathering and sector engagement in 2019–20.

Findings from YVAN's Pilot showed an initially slow uptake of this creative industry tax relief. It demonstrated that there were a range of barriers for organisations to make their first MGETR claim. Through consultation with over 50 organisations, it was evidenced that the MGETR Gateway Eligibility Criteria and other financial and technical requirements reduced sector uptake significantly. Many organisations, particularly smaller organisations, were unable to invest the time and resource to move into readiness. Making ready for claiming is not a straightforward process for many organisations and without accountancy and sector support programmes, significant barriers would remain in place.

HM Treasury's sunset clause review with its time-limited nature of the current MGETR legislation initially scheduled for March 2021 also made organisations hesitant in beginning the claims process without confidence of its longevity.

The objective of the Pilot Programme was therefore to support and mobilise the arts and museum sector to take maximum advantage of MGETR.

At the outset of the pilot, there were a number of key concerns shared by all the stakeholder parties, which were:

- why there was a low uptake of MGETR by organisations of all scales;
- levels of perceived confusion arising from the eligibility requirement;
- a seeming lack of incentives and resources to remedy the situation and encourage adoption.

The focus for Pilot Programme was therefore to:

- identify and address technical barriers to engagement, particularly by smaller organisations in the sector;
- provide shareable resources for ongoing support;
- build evidence of the impact of these approaches on organisational behaviours in programming and curation where adopted.

The Pilot Programme, run in conjunction with HMRC Technical and Policy Adviser for the Creative Industry Tax Reliefs, offered support to organisations through a series of events and publications, whilst facilitating action research and evidence gathering by bringing HMRC staff together with museums and galleries as potential claimants.

Learning was reciprocal; for the HMRC team, it offered a greater understanding of operation and impact across different 'activity types' of museums, galleries and arts organisations, and for the sector, the opportunity to ask questions, understand in greater detail the resources needed to make ready a claim, and to learn the real benefits of the tax relief from their peers.

In researching the reasons for the slow uptake of the tax relief, barriers were identified as:

- MGETR Gateway Eligibility Criteria and a number of issues that cluster around the initial company eligibility and readiness to claim — organisations need to have both identified and met a range of criteria they might initially be unaware of;
- an inconsistent marketplace in the accountant infrastructure with the technical competency and knowledge of sector-specific requirements;
- if not wholly owned by a Local Authority, museums and galleries need to be a company within the charge for corporation tax exempt through charitable status;
- there are further challenges to organisations in respect of Activity Eligibility, in respect of the digital, living material (live art and performance art) and sales exclusions.

The eligibility criterion of charitable status as determined by HMRC, a lack of peer-to-peer support and HM Treasury's MGETR sunset clause review were named as barriers key to adoption.

In the final report 'YVAN Action Research Pilot Into The Uptake and Impact Of Museums and Galleries Exhibition Tax Relief April 2019 — August 2020', it states that "the potential of MGETR for the museum and gallery sector cannot be under-estimated".

Findings included:

- Making an MGETR claim is a relatively complex process for organisations of any scale.
- The technical aspects of claiming require investment into the skillset and confidence of the accountancy infrastructure.
- The benefits of claiming are self-evident. Many organisations will require an explicitly developmental approach toward their overall business to claim efficiently.
- The peer-learning approach adopted can work equally well on a national basis.
- Partnership with the CITR team at HMRC has been key to the success of this project.
- There was a great generosity of spirit by the sector in sharing experiences at all levels.
- Our support benefited the accountancy infrastructure available to those organisations less able to invest in specialist CITR consultancy.
- Action research is an effective model to identify organisational development challenges.
- Further partnership working would have a positive impact on the sectors ability to advocate for MGETR and the economic value of the exhibitions sector.
- This report, and the network relationships developed throughout the delivery of the pilot project form a solid starting point for a targeted strategic effort by galleries, museums, Local Authorities and other stakeholders to make the case for the retention of MGETR.

○○ **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.**

Kate Jesson, Curator, Manchester City Art Gallery
Pilot Phase case study, 2020

1.3

The Impact of Covid-19

The Pilot Programme ran concurrently with Government national lockdowns. Although not mentioned in the Pilot Programme report in detail, the lockdown of the UK and its cultural venue spaces galvanised a rapid shift from in-venue exhibitions into digital and online programme development.

There was a significant up-swing of cultural exhibition productions using online platform delivery, supported through external input from creative tech companies and related supply chains. Online exhibition reached and engaged new audiences in domestic environments in the UK and internationally.

Therefore the Phase 2 report makes a clear case with evidence for the inclusion of digital exhibition production and distribution platforms as part of the eligibility criteria for the MGETR. We look specifically at the post-Covid-19 era and consequent opportunities for digital or blended productions and delivery as part of long term strategic plans for UK arts and cultural institutions.

DESK RESEARCH

Desk research was undertaken using solicited and published data sets for the purposes of demonstrating sector trends in MGETR uptake, geographical differences, and claims (number and value).

2.1

Methodology

Detailed data analysis and hand-matching of datasets produced lists of individual organisations with the potential of meeting MGETR eligibility criteria, and enabled analysis of trends and patterns in MGETR uptake.

Through publicly accessible online reports supplied by Arts Council England, Creative Scotland, Arts Council Wales and Arts Council Northern Ireland, YVAN obtained a range of funding data for each of the home nations. The size of the home nation datasets was as follows: ACE; 383, CS; 121, ACW; 40, ACNI; 97. The information received for NPO organisations in England was considerably more stratified, therefore making more detailed analysis possible.

All raw data received was initially streamlined into manageable and consistent formats to improve its legibility and allow efficient analysis and comparison. This included isolating 'activity type' areas across museums, galleries and the arts sector relevant for MGETR, omitting information superfluous to research needs, and editing the categorisation and aesthetics of data fields.

Each institution was individually and manually cross-referenced to the appropriate Charitable Commission to highlight those with charitable status and therefore fulfilling an essential MGETR criterion. This was used to calculate the percentage of funded organisations in each home nation with charitable status. These organisations were logged for inclusion in the MGETR Phase 2 sector support programme through direct invitation.

Excel formulae were utilised to complete statistical analysis which was presented in both tabular and graphical forms to provide the information in accessible editable form, to allow for updates or changes to data.

Significantly, the information for England provided was only that relating to ACE NPO organisations, and excludes any national institutions, including those reporting directly to the Department for Digital, Culture, Media and Sport, who receive the largest proportion of MGETR. These include the V&A, National Maritime Museum, Southbank Centre, Imperial War Museum, British Museum, Tate and the Science Museum Group.

○○ **It's incredibly valuable in the context of great challenges for organisations in raising funds, having contingencies, managing risks.**

Paul Hobson, Director, Modern Art Oxford
Phase 2 case study, 2021

Data Assumptions

The following findings should be understood within the framework of a selection of caveats and assumptions made in order to analyse the data provided.

UK:

HMRC annual report on Creative Industries Tax Relief 2017/18 and 2018/19 ending in the financial year 2019/20² was analysed to show patterns of uptake against Creative Industry Tax Reliefs (CITRs).

England:

Through the Arts Council England website and by direct supply, data was accessed in relation to:

- NPOs claiming tax relief in 2017/18 and 2018/19 and in lesser detail claims in 2019/20
- Organisations receiving Project Grants in 2018/19, 2019/20 and 2020/21.

The ACE NPO and Project Grant data provided information on organisations by region (North West, North East, Midlands, London, South East and South West), size by Band (1,2,3 and SSO)³ and creative area (Combined Arts, Dance, Literature, Museums, Music, Theatre, Visual Arts). As such, this data was analysed with reference to combinations of charitable status, region, size and creative area, funding received, tax relief claimed. Only those institutions categorised as Visual Arts, Combined Arts and Museums were considered in this research study as these are those most likely, but not guaranteed, to fit the claim criteria.

The NPO data included, some but not all, information on the tax relief claimed per organisation, as it relies

on the engagement of organisations to supply MGETR information, and did not specify the particular CITR claimed. By selecting organisations that fall within specified creative areas as Visual Arts, Combined Arts and Museums, it is highly likely, but not confirmed, to have been MGETR claims. As organisations can make their initial claim to cover two years of an exhibition production costs and claims submitted in following financial years, this may cause other inconsistencies in reporting in annual amount value per organisation.

The MGETR 2019/20 data provided by ACE is of a summative nature, excluding any detail previously provided around individual institutions, geographic area, organisational band or cultural area, therefore analysis around these points did not include claims made in 2019/20.

From the list of 383 ACE NPO organisations listed, 295 had the required charitable status and therefore fulfilled the primary MGETR Gateway criterion.

The dataset for eligible organisations therefore contains 295 listings.

Scotland:

Creative Scotland provided data for their three year Regular Funding Programme 2018–21, therefore totals were calculated using these three year values. The data was broken down into statistics on institutions with charitable status and organisations by creative area; crafts, multi arts and visual arts.

The dataset for eligible organisations therefore contains 121 listings.

Wales:

Arts Council Wales provided data on the organisations in receipt of funding from financial years 2018/19, 2019/20 and 2020/21. This did not show data on which of these, or other institutions, claimed any form of tax relief, nor the organisations' region, size or specific creative area. As such, the only analysis was that based on charitable status versus non charitable.

The dataset for eligible organisations therefore contains 40 listings.

Northern Ireland:

Arts Council Northern Ireland provided their Annual Funding Programme for the financial year 2020/21. Information included funding received and organisations classed as Visual Arts but no detail on locations or size therefore, analysis was based on charitable status and visual arts programming against the total funding received.

The dataset for eligible organisations therefore contains 97 listings.

². https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/826824/August_2019_Commentary_Creative_Industries_Statistics.pdf 2019 and 2020

³. ACE's NPO 2018-22 Relationship Framework (Appendix 2; page 36).

Band 1—Organisations receive a minimum (average) of £40,000 per year and a maximum (average) of £249,999 per year).

Band 2 —Organisations receive a minimum (average) of £250,000 per year and a maximum (average) of £999,999 per year).

Band 3—Organisations receive a minimum (average) of £1,000,000 per year).

Data Analysis: MGETR Uptake Patterns and Trends

2.3.1

Increasing Uptake and Claim Profile

The HMRC official statistics report on the Creative Industries Tax Relief schemes depicts a stark contrast between the value of tax relief claimed by different cultural sectors (see figures 1–3), although it is worth noting that the majority of the other tax reliefs are well established and operational for longer than MGETR, which was launched in 2017.

The highest claimant in financial years 2018/19 and 2019/20 is the Film Industry which drew down £595 million and £522 million, equating to 55% and 47% of the total creative industries' claims with MGETR accounting for £4 million and £16 million over the same time period — 0.4% and 1.4% of claims. This shows the sharp increase of 300% in the value of claims to MGETR over the two years, which was not consistent across all other CITRs.

Analysing the data shows the trend over the two years related to numbers of claims across the CITRs. The aforementioned hierarchy in total claim values shown in Figures 1–3, is not replicated when investigating the number of project claims submitted to other forms of CTR.

Creative Industry Tax Relief Claim Value by Financial Year

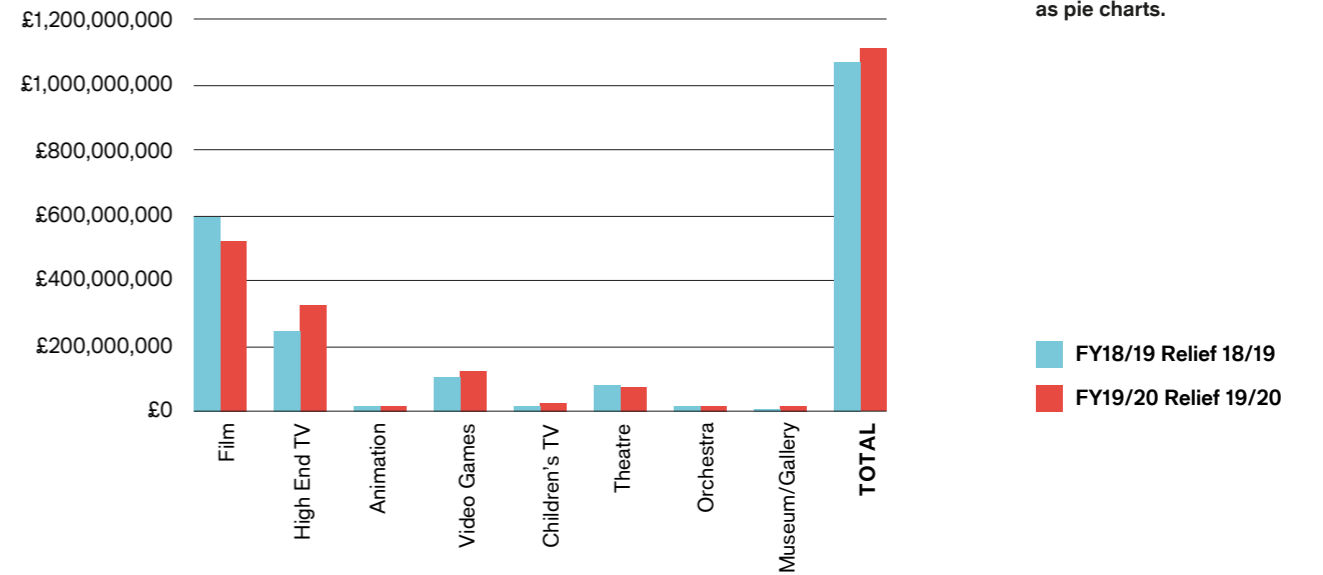
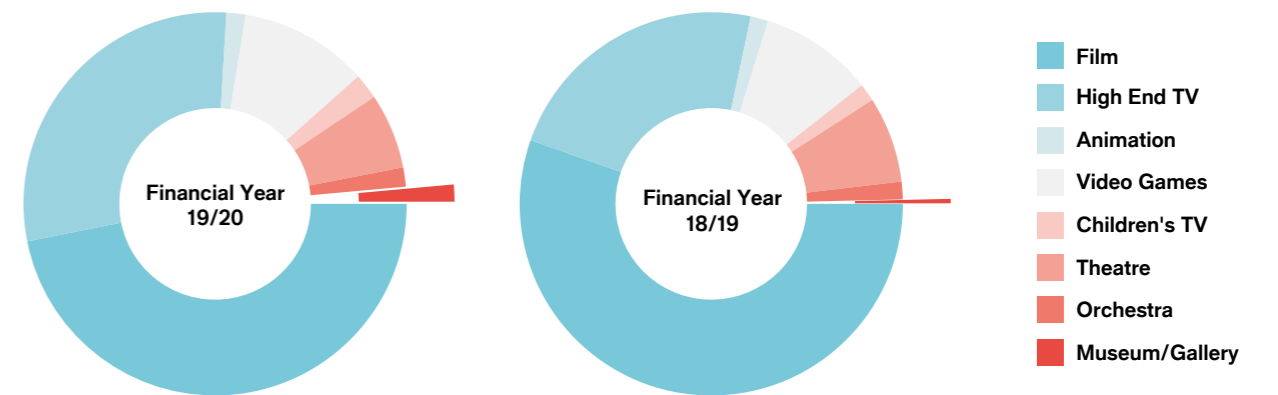


Figure 1. Creative Industries' claims by financial year 2018/19 and 2019/20; repeated below as pie charts.

Creative Industries Tax Relief Claim Amounts



Figures 2 and 3. Creative Industries' claims by financial year 2018/19 and 2019/20 respectively, as above bar chart.

As **Figure 4** shows, Museums and Galleries claimed the fifth highest number of projects out of the eight industries in 2018/19 with claim numbers for Theatre tax relief far ahead of other industries. MGETR saw an increase of 248% in number of claims from 2018/19 to 2019/20, the highest uplift of all industries — over eight times greater than the next highest increase (shown by High End TV) and had the second highest number of claims in 2019/20.

This indicates that, compared to other CITRs, the pattern for MGETR claims is that the sector makes more but smaller claims for tax relief.

No. Projects by Creative Industry per Financial Year

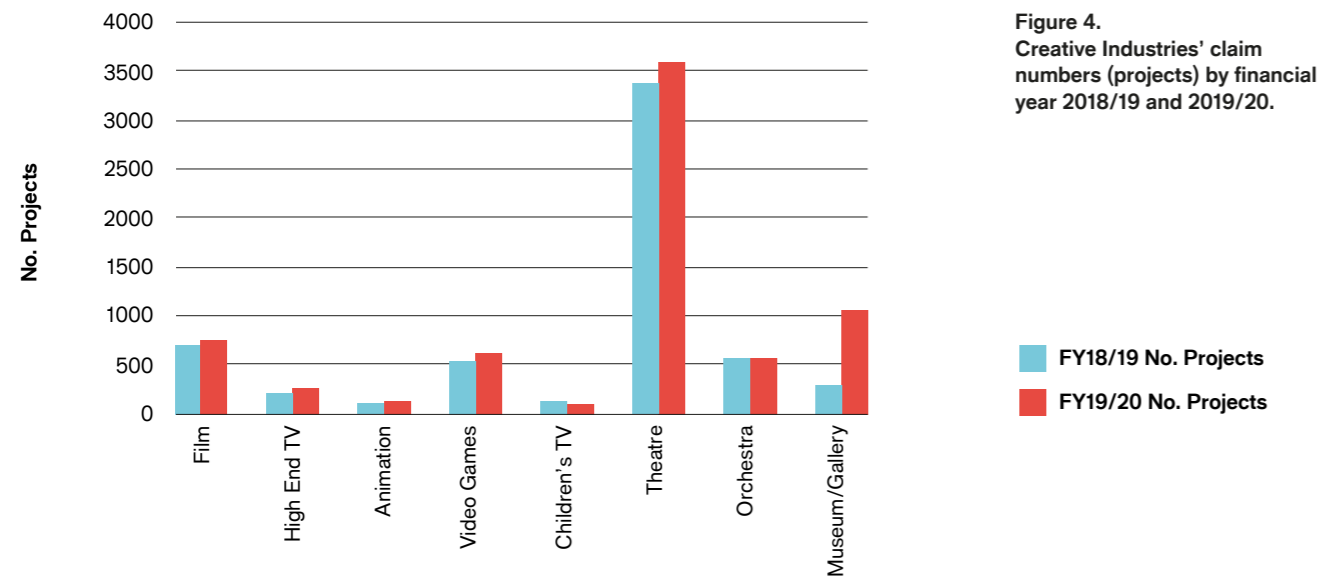


Figure 4.
Creative Industries' claim numbers (projects) by financial year 2018/19 and 2019/20.

2.3.2

Slow Uptake from Small Organisations

To determine uptake in relation to organisational size, we have used banding as defined in ACE's NPO 2018–22 Relationship Framework⁴. This Framework defines and articulates the expectations of each NPO according to financial banding in relation to NPOs SMART objectives, business plans and the addressing of ACE's five goals for the investment.

There are more MGETR eligible institutions in Bands 1 and 2 (**Figure 5**). This shows that there is a higher percentage of the small-to-medium size museums, galleries and arts organisations potentially eligible for CITR, although the larger organisations are more likely to claim (**Figure 6**).

Charities as Percentage of Bands

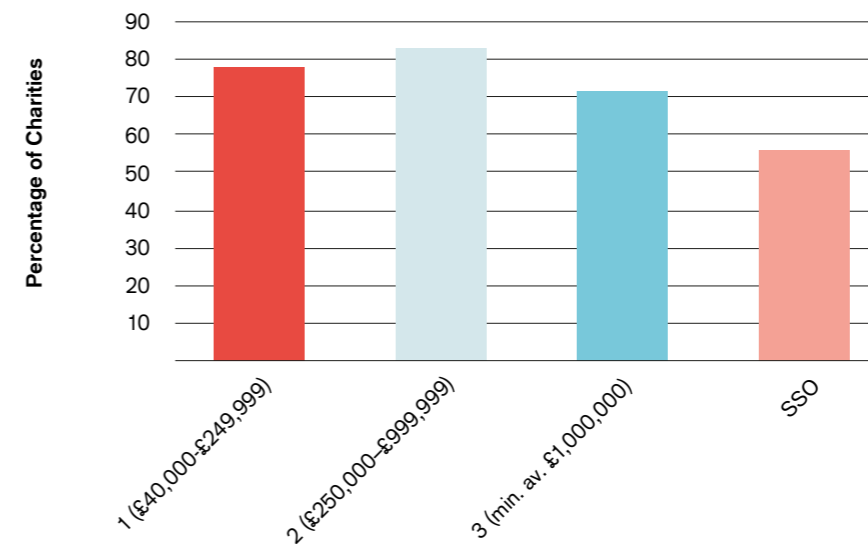


Figure 5.
Percentage of organisations across ACE bands as registered charities.

⁴ ACE's NPO 2018-22 Relationship Framework (Appendix 2; page 36) see footnote 4.

Figure 6 clearly shows the high proportion of Band 3 organisations claiming tax relief in comparison to specifically Band 1 type. It can be demonstrated that the larger the institution, the more likely they are to have claimed tax relief due to (also evidenced in Phase 2 Case Studies) having larger capacity, resources and financial accountancy support in place. Fewer SSOs claim than any other band, potentially as a result of not only fewer resources but also an incorrect assumption of ineligibility.

Claimants as Percentage of Bands

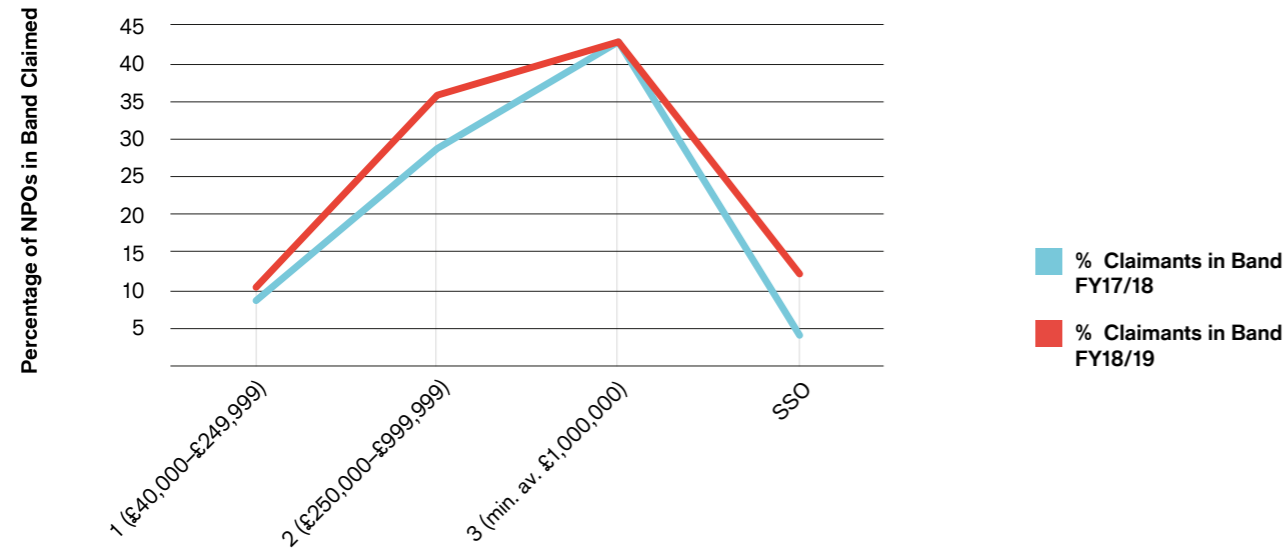


Figure 6. Percentage of organisations claiming tax relief by band.

2.3.3

Regional Differences

Across the English regions, NPO 2018/19 data showed that only 23.4% of eligible organisations had claimed MGETR.

There are regional differences in uptake of MGETR. **Figure 7** shows that, of the ACE NPOs classed as Combined Arts, Visual Arts or Museums, the highest proportion are located in the North (117) followed by London (87), the Midlands (71) then the South East (55) and South West (53) with similar figures.

Though the North has the highest number of NPOs, it has the second lowest percentage of NPOs with charitable status. Regional differences are London 87%, South East 78%, South West 75%, North 73% and Midlands 72% (**Figure 8**).

NPOs by Region
VA, Galleries, Combined

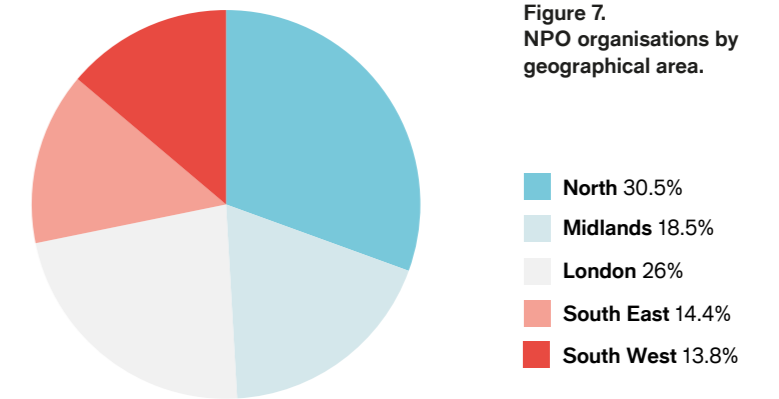


Figure 7. NPO organisations by geographical area.

No. Charity NPOs by Region

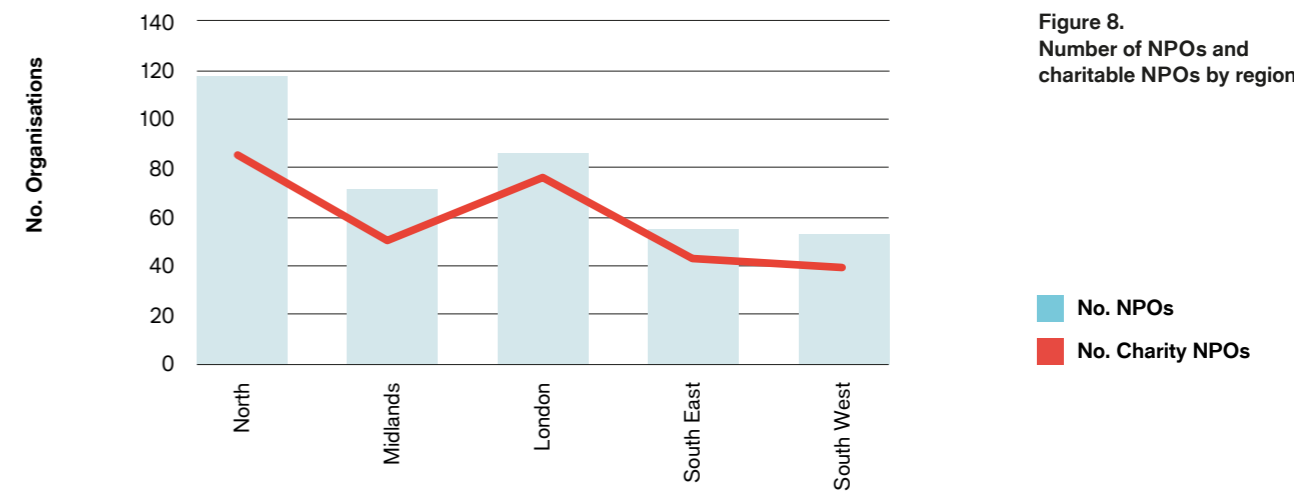


Figure 8. Number of NPOs and charitable NPOs by region.

In 2018/19, a higher proportion of charitable NPOs designated as Visual Arts, Museums or Combined Arts claimed tax relief in the North, London and South East.

There was an increase in uptake from financial year 2017/18 to 18/19 in every area except the South West (Figure 9).

Percentage Charity NPOs Who Claimed Tax Relief by Region

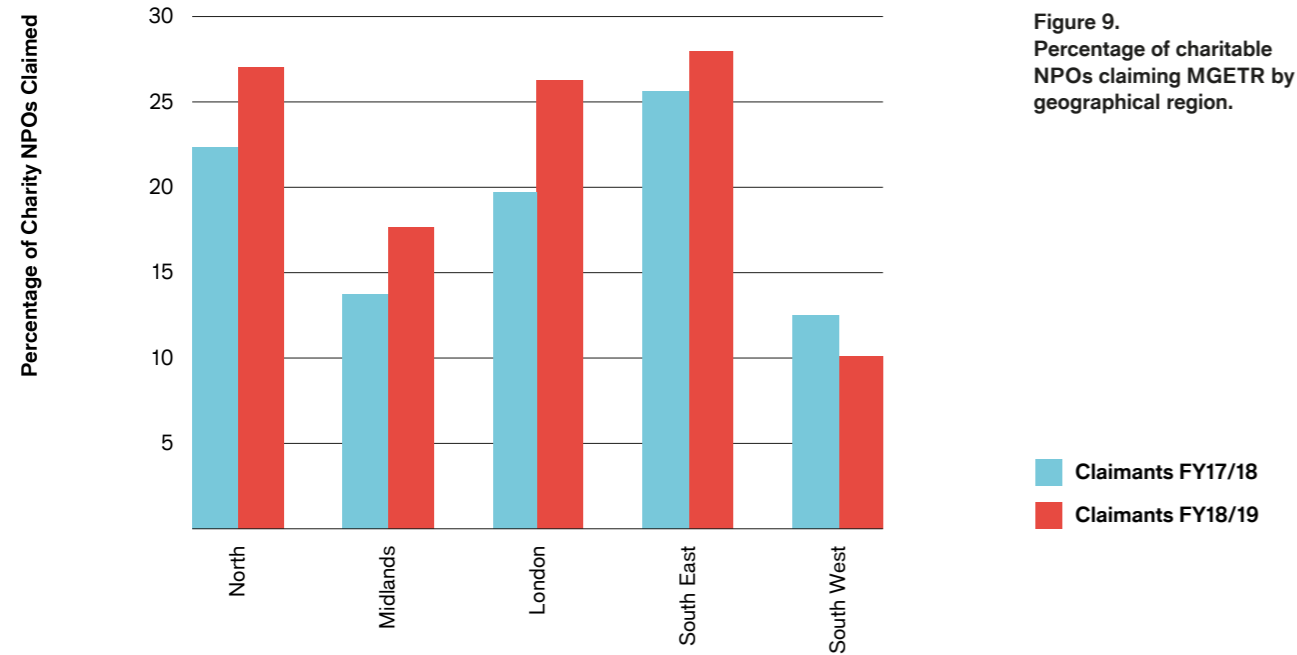


Figure 9. Percentage of charitable NPOs claiming MGETR by geographical region.

Total Claim Value of Charity NPOs by Region

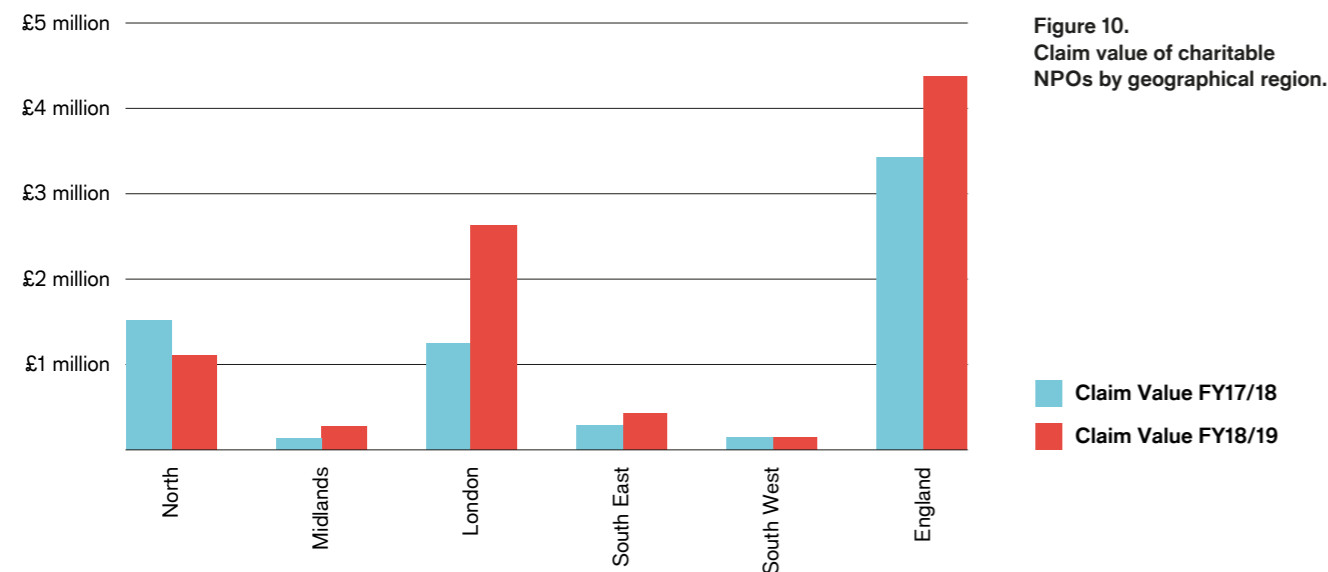


Figure 10. Claim value of charitable NPOs by geographical region.

2.3.4

Differences Across the Home Nations

England:

The percentage of NPOs claiming MGETR by region remained largely consistent across the two financial years with only minor changes. However at that time, a very small proportion of charitable NPOs in each region were claiming MGETR. Information on the total value claimed shows an increase across all regions except the North from 2017/18 to 2018/19 (Figure 10) and therefore, an overall increase across England.

Scotland:

Of the organisations regularly funded by Creative Scotland, 71% have charitable status. None were recorded as claiming MGETR or other CITR. In total there were 37 eligible organisations listed as Craft, Multi Arts or Visual Arts. All organisations have been contacted directly by Scottish Contemporary Arts Network (SCAN) as they have a high potential for MGETR uptake.

Wales:

With 58% of the Arts Council Wales funded organisations having charitable status, equivalent to 23 organisations, we received no information of tax relief claims. As such, Visual Arts Network Wales targeted eligible organisations to attend YVAN support workshops which may result in an uptake.

Northern Ireland:

With 76% of Arts Council Northern Ireland's Annual Funding Programme recipients having charitable status (74 organisations in total), there was only one claimant of the tax relief. Of the 97 recipients of ACNI funding, a total of 9 organisations are classed under the Visual Arts category (approximately 9% of funded organisations). Information was shared with Visual Arts partners in Northern Ireland to reach out and encourage adoption.

SECTOR SUPPORT PROGRAMME

3.1

MGETR Phase 2

3.1.1

Priority Actions

With evidence of barriers preventing easy uptake of MGETR and the positive response from the museum and galleries sector and HMRC to the YVAN Pilot, a Phase 2 programme was developed and funded by ACE (National).

Unique to Phase 2 was that the commitment to avoiding another wide sweep of the sector to promote MGETR as this had already brought forward the 'low hanging fruit' organisations, those with finance staff and/or those well networked. The Pilot Programme had revealed that there were eligible organisations across the UK that needed a direct approach, encouragement and practical help.

The YVAN research team therefore undertook a detailed hand-matching of 641 organisations listed by statutory funders against UK Charities Commission data to produce a list of 366 individual organisations on an English regional or on a home nation basis that had a high probability of MGETR eligibility.

This exercise of careful dataset mining enabled the YVAN research team, working closely with CVAN National, Regional Managers and home nation partners to directly target eligible organisations not currently claiming or under the misunderstanding that they are not eligible.

The MGETR Phase 2 Programme identified strategies and tactics to increase uptake across all 'activity types' of organisation, as well as provide analysis and evidence of an increasing sector demand and the impact on organisation and the wider museum and arts sector.

○○ **MGETR has been hugely beneficial to The MAC. Like most artistic organisations, The MAC faces annual financial challenges to carry out its work.**

The fact that the MGETR scheme allows us to reclaim unrestricted funds really helps relieve some of that pressure.

Paul McIlwaine, Director of Finance and Corporate Services, The MAC (Belfast)
Phase 2 case study, 2021

Objectives

Key objectives for MGETR

Phase 2 are to:

- identify eligible organisations across the UK home nations and help them into readiness and adoption;
- advocate for MGETR technical and sector-specific expertise within the accountancy infrastructure;
- demonstrate MGETR's economic, social and cultural impacts at organisational and sectoral level;
- develop peer-to-peer support and user-friendly guides and resources for arts and heritage organisations for online access;
- explore eligibility constraints and divergence from other CITRs, e.g. Theatre Tax Relief;
- develop a robust baseline for a longitudinal evidence-based study of MGETR;
- make the case for the retention of MGETR in response to HM Treasury's sunset clause, and for enhancements particularly in relation to digital exhibition and programme.

Programme Delivered

YVAN devised, delivered and evaluated a new programme of activity to support the sector through the following activities:

- analysis across data sets to identify patterns and trends of MGETR uptake and to reach out directly to 366 eligible organisations operating across the home nations to incentivise MGETR adoption;
- host four themed webinar events that attracted 138 people from across museum and arts organisations;
- a further seven case studies (**see Section 4**) of the benefits of MGETR for individual organisations, with a focus on the inclusion of MGETR as part of post-pandemic recovery strategies and making the case for digital exhibition production as MGETR eligibility criteria;
- a survey of 35 organisations to evaluate the Phase 2 support programme and gather impact data (**see Section 4**);
- regular presentations to strategic museums and visual arts networks to advocate for MGETR and seek sector specific approaches to increase uptake, including Scottish Contemporary Arts Network, London Visual Arts Network, The Crafts Council and to the nine regional CVAN managers and related networks;
- introduce two accountancy companies to increase MGETR competency in the accountancy infrastructure;
- produce new resources, webinar videos, FAQ sheet, case studies as part of an online MGETR homepage on YVAN's website;
- devise and run a compelling marketing and social media campaign featuring promotional teaser videos extolling the merits of MGETR from five leaders in the sector including Paul Hobson, Modern Art Oxford and Chris Brown, g39.

Respondent feedback on sector impact of MGETR, YVAN survey June 2021

On Economic Impact:

- Very impactful, raising our unrestricted funds towards programme and touring, leading to further investment.
- Very valuable to have unrestricted income to provide match funding for funded projects, commissioning opportunities or improvement to our building.
- Gave us the confidence financially to continue with our redevelopment plans for foyer and reading room spaces.
- Additional income to support future exhibitions programme.
- Contributed to funding gap.
- Support towards our fundraising target and addressing income gap.
- It provides subsidy that compensates for reductions in real terms to NPO grants.

On Programme Impact:

- Additional funding has helped us to redefine access to our spaces by working with community groups and extending our digital offer.
- Allows opportunity to raise unrestricted funds for programme.
- The money would be put back into funding programmes.
- Potential to commission artists or provide mentoring.
- Support future cultural programme across our venues

On Social Impacts:

- We have been able to extend our engagement work to continue to broaden our reach and develop our programme in partnership with a broad range of audiences and participants.
- Improve fabric of our building to conduct community projects and match funding for projects with vulnerable groups.
- Feeds our overall social impact of our overall programme.
- We are more likely to increase audience engagement events.
- This would help us to continue to promote art and heritage in our area.

Webinar Training & CPD Programme

In partnership with HMRC, the MGETR Pilot Programme established a methodology for sector training and CPD support through a workshop programme. In response to Covid-19 lockdown, the face-to-face events rapidly pivoted to online video conferencing with Zoom as a platform enabling easy access for national audiences.

MGETR Phase 2 offered three themed webinar presentations and an online participative workshop during February to April 2021. These events engaged 138 sector professionals across all museum and gallery 'activity type' including Bands 1–3 organisations, festivals and biennials, sculpture parks and artist studio networks.

Each event included HMRC senior adviser Stephanie Martinez, Policy and Technical Adviser Creative Industry Tax Reliefs HMRC, or involvement from RSM Accountants UK, Creative Industry Tax Team, alongside sector organisations within a structured and well prepared support event.

Direct invitation was made, where possible, to the 366 eligible organisations through CVAN regional managers, who often phoned to make contact and signpost to the webinars. The programme was also promoted through CVAN, YVAN and a-n newsletters and social media to reach a wider constituency.

To assess the merits of the Phase 2 programme, a SurveyMonkey questionnaire was sent to all the webinar participants (June 2021) to capture the benefit of the support programme in helping them with MGETR, particularly the first claim.

See section 4.2

The survey revealed that 33% of the respondents were repeat attenders of the webinar programme, attending one or more events, with 9% of organisations contacting the YVAN team for direct support in helping them into readiness to claim.

Feedback on value of the webinars (31 respondents) include:

- 64% indicated that the webinar programme raised awareness of MGETR for their organisation;
- 58% indicated it offered useful practical advice on submitting a claim;
- 6% indicated that it helped their client relationship with an accountant;
- 29% indicated that it helped explore new programme opportunities that are MGETR eligible;
- 80% indicated that learning from peer organisations in museums, galleries and the arts was beneficial;
- 58% indicated that having HMRC present in the webinar programme for direct feedback to their questions was of value.

As to MGETR Resources developed by the YVAN team over the Pilot and Phase 2 programmes, respondents rated using scores 1–5 with 5 as highly rated and 1 low:

- 62% rated the organisational case studies at 4 or 5;
- 47% rated the FAQ sheet at 4 or 5;
- 34% rated the Readiness to Claim Guide at 4 or 5;
- 30% rated the webinar videos on the YVAN website as 4 or 5;
- 26% rated the reporting stencils as 4 or 5.

Respondent feedback on Phase 2 webinar and sector support programme, YVAN survey 2021

What worked well?

- Session was very well planned, information clearly communicated with good follow up support and guidance on offer.
- The speakers were great and it was really useful to hear from both arts industry professionals and accountants.
- Learning about it and the eligibility of costs.
- Practical information, peer experience sharing.
- Real life examples, accountant relationships, potential of extra support.
- Hearing the different approaches to allocating time.
- Understanding the process that others have gone through to submit a claim.
- It was good hearing from others who did it. It was from a participant that we were able to get a template to start compiling data that we could hand over to our accountants.

What could have been better?

- A really key point that wasn't picked up is on ensuring that indirect costs against income map to avoid income reducing tax credits.
- The term MGETR is possibly off-putting, and to encourage take up, finding a new way to encourage applications may be productive.
- Information on how it can work with other available tax reliefs.
- Have a template ready for all participants and do a case study to explain how to compile the information needed.
- Frustration that as a CIC we are not eligible to claim. Only being open to registered charities excludes a large portion of the visual arts sector, particularly smaller-scale initiatives.
- Thinking about the full scope of eligible costs, especially when they have limited finance capacity in organisation.

3.2.1

Phase 2 Webinar Events and Issues Emerging

Support the Campaign to Retain and Enhance the Museums and Galleries Exhibition Tax Relief

18.2.21 (59 attendees)

With speakers from CVAN, Visual Arts Galleries Wales, Scottish Contemporary Art Network and Visual Artists Ireland (NI), and Belfast Visual Arts Forum, the event sought to raise awareness of the impact of MGETR and join forces to get involved in amplifying the urgent message to the Department for Digital, Culture, Media and Sport and UK Government for the retention and enhancement of the scheme.

See section 3.4

CPD for the Finance and Accountancy Sector on Tax Relief for Museums and Galleries

18.3.21 (79 attendees)

This workshop was aimed at accountants and Finance Directors with existing arts and museum clients, or those who wish to extend their accountancy portfolio in Creative Industry Tax Relief advice.

With speakers: RSM UK Tax and Advisory Services, Full Stop Accounts, Chisenhale Gallery.

Key findings were:

- As organisations have to self-certify their returns to accountants, each organisation needs to develop its own logic and internal mechanism for claiming. Therefore peer-led CPD programme in accessing and optimising MGETR claims remain crucial.
- The role of the accountant is critical in preparing and submitting project P&L using HMRC stencil and the required software.
- There remains a lack of MGETR (and/or CITR) knowledge/expertise in the accountancy sector.
- There is commonly a lack of transparency in charging for services with accountants learning 'on the job' whilst charging.
- As the museum and arts sector is so un-uniform (type of activity, scale, artform, etc), the accountancy infrastructure needs a wide range of types of accountants to create a good fit. The relationship between the organisation and the accountant is key to easy and successful claiming.
- HMRC recommends preparing a short narrative to accompany each project claim. This helps the HMRC assessment team to understand the premise and purpose of the exhibition, and over time builds good reporting procedures with the organisation.
- A first claim might take time to prepare and require communication with the HMRC team but developing a good 'transparent' practice will enable a win-win in that it will be easier for HMRC to process future claims.
- Make sure that accountants ticks the payment by BACS, otherwise a cheque will be received which has more chance of getting mislaid.
- An FAQ sheet on working with accountants and a resource sheet on "the selection" and Contracting an Accountant with a list of questions to ask would be of use to the sector.

Newcomers Guide

21.4.21 (8 attendees)

This event was targeted at organisations with a high probability of MGETR eligibility through direct call out via CVAN regional managers and general promotion, and focused on Gateway Eligibility Criteria.

With speakers: HMRC, RSM, Arnolfini Gallery, and Bow Arts.

Key findings were:

- There remain numbers of eligible organisations that need direct invitation, as they have been misinformed by accountants that they are not able to claim and/or information on MGETR has not percolated through.
- Incorrect knowledge of eligibility is still prevalent in the sector and prevents uptake — this includes the need to pay corporation tax and need to show loss in P&L.
- YVAN resources, particularly the FAQ sheet, are very helpful.

Optimising Your Claim

28.4.21 (18 attendees)

The event shared 'innovative practice' amongst the museum, gallery and visual arts sector in terms of programme and costing. It included examples of how organisations have enhanced their cultural programming to include exhibition touring, artist residency programmes, off-site exhibitions and public space use, festivals and temporary works.

With speakers: HMRC, RSM, In Between Times, Yorkshire Sculpture Park and Bow Arts.

Key findings were:

- There is the opportunity to mitigate the ineligibility criteria of 'live works' in MGETR by claiming Theatre Tax Relief.
- With regard to 'live arts', performed works and experimental theatrical productions including immersive and digital environments, visual arts agencies are claiming Theatre Tax Relief.
- Artists play a role and step into a live and performed relationship with an audience. Live art performances need to be a scripted work. The script could be a 'blueprint' or structured narrative outlining the concept and parameters for the work
- Theatre Tax Relief requires a performance space and live audience. The space does not need to be in a conventional theatre and the audience can be anything from small and intimate to festival size. Members of the public can be involved in the production as participants or conventionally seated, and there should be payment involved
- As with MGETR, there needs to be primary and secondary Theatre Production Companies and requirements for touring to make the production eligible.
- There is no charitable status requirement for Theatre Production Companies.
- Live streaming of events can be claimed through Theatre Tax Relief if they plan for a live audience as well, but the equipment costs are not allowed.
- Theatre Tax is claimed in the same accounting period as the MGETR, with your accountant submitting both CITRs and therefore simple to execute.
- Abandoned and cancelled productions can be claimed under CITRs. Claim periods are cumulative so production costs incurred up to that point can be submitted. This is significant for many organisations who had to close venues due to Government's Covid-19 lockdown.
- The temporary exhibition of a single item as a free-standing artwork, public art sculpture, art installation in the landscape or other, are claimable exhibitions in their own right. It can be that siting one artwork in a sculpture park or town centre will cost more than an in-house exhibition. Claims are submitted to cover the production and de-install phases of the artwork.
- Residency programmes with artists can be eligible within the production phase if they result in an exhibition in-venue or off-site.
- Charitable Incorporated Organisations are eligible as organisations with charitable status (Community Interest Companies are not).
- Expenditure related to dormant exhibitions due to Covid-19 can be claimed as expenditure is cumulative and claimed in each time period.



As Theatre Tax Relief is not the focus of this report, please check on eligibility criteria with your CITR accountant or visit www.gov.uk/hmrc-internal-manuals/theatre-tax-relief

3.3

MGETR Resources

A range of resources were produced by Isabelle Tracy, MGETR Pilot Project Manager which include:

- seven organisation case studies detailing the claiming process and tangible impacts of MGETR;
- readiness to Claim Guide;
- a FAQ Sheet with common questions on Gateway and Activity Eligibility;
- a range of Project Initiation Documents for use in showing costs and the HMRC Reporting Stencil;
- a video of 'Introduction to MGETR' webinar with HMRC 2020.

MGETR Phase 2 sought to add more to these as they have been well received due to their relevance to the specific needs of the sector. All resources had been developed through action research with the sector, HMRC and organisations who have claimed and realised the benefits of the Tax Relief.

MGETR Identity

To make the MGETR training and resource 'package' attractive, YVAN developed a visual identity for use across each element and on the website, using CVAN corporate colours and graphics.

The use of the letter GET in MGETR become a campaign feature as in:

GET Involved GET Organised GET Funded

Included in the visual identity, it was used to great effect in the campaign resources and teaser videos.

MGETR Website Resources

To enable easy access to information and resources, YVAN designed and developed a series of MGETR 'home pages' that could be updated and extended. MGETR is a key feature on the YVAN menu bar with drop down pages for: Information, Resources, Case Studies.

yvan.co.uk/MGETR

Under Resources, all CPD resources are found in addition to HMRC Creative Industries Unit contact details.

Videos of MGETR Webinars and Campaign Teasers

Three of the public webinars were recorded and edited as online resources. These now include subtitles and use of the MGETR identity.

Spreading the word on the benefits of the tax relief to the broadest reach of the sector was a primary objective of Phase 2. A range of key people in the museums and galleries world were asked to produce 45 second testimonials to camera on the potential of the tax relief, its positive impacts as unrestricted funding and how monies had been allocated supporting staff, innovative programme and outreach. These were used in social media campaigns to recruit to the webinar programme, and in strategic presentations to sector partners.

Organisational Case Studies

A further eight case studies were produced through interviews with senior managers in each organisation. Whilst generating invaluable evidence of the impact of MGETR at organisational level, each case study operates as a tutorial with the best 'tips and hints' for making or optimising claims from learnt experience of claiming the Tax Relief.

Case studies were designed with a Q&A style to offer an easy approach to finding information. All case studies are numbered and indexed. **See section 4.1.3**

Marketing and Social Media

CVAN and YVAN featured MGETR events and editorial during the four months of live programming (Feb–May 2021) alongside Artist Newsletter digital pages.

From the Participant Feedback survey (June 2021), people (25 respondents) predominantly heard about the programme through recommendation and word of mouth.

- **44% via word of mouth**
- **32% from YVAN and CVAN newsletter**
- **20% via other network's newsletters**
- **4% via social media**

During this programme, an intensive series of online presentations were offered to sector and geographic specific sector networks which could account for the 'word of mouth' response.

SNAPSHOT – 09

MODERN ART OXFORD



MODERNARTOXFORD.ORG.UK
Modern Art Oxford, 2017. Image © Modern Art Oxford. Photo: Edmund Blok

Modern Art Oxford is one of the UK's leading contemporary art spaces.

Founded in 1965, the gallery is shaped by a longstanding commitment to education and inclusion. Free and open to all, it celebrates the relevance of art and creativity to society today and the role of culture as a progressive agent of social change. With its acclaimed exhibitions, artist commissions, events and participatory activities it encourages public engagement with creativity and the arts and promotes the importance of contemporary visual culture in today's society.

WHAT HAS BEEN YOUR EXPERIENCE OF THE MGETR SCHEME?

The experience has been entirely positive. It is quite a complicated process at first, and involves accountancy knowledge, but we are lucky in that we have the capacity and financial expertise in house.

The scheme is invaluable in providing an additional source of unrestricted funding which we reinvest back into our public-facing work, increasing the benefit to the public from whom the tax is derived.

The more we spend the more we are able to claim. It incentivises growth and supports organisational resilience by providing a contingency in times of great organisational stress and uncertainty. The importance of the relief has of course been amplified by the impact of the pandemic on the sector.

GET Involved GET Organised GET Funded



Click to view all 15 MGETR case studies

JUNE 2021 MUSEUMS AND GALLERIES EXHIBITION TAX RELIEF - CVAN PILOT PROGRAMME

Contemporary Visual Arts Network

SNAPSHOT – 14

IN BETWEEN TIME



INBETWEENTIME.CO.UK

WHAT HAS BEEN YOUR EXPERIENCE OF THE TAX RELIEF SCHEMES TO DATE?

To date we've only claimed Theatre Tax Relief (TTR), which we first discovered in 2016 through a member of staff who'd made claims at a peer organisation in London.

We used a guide from HMRC to create a claim. Our previous claim, but together for form and have ever since.

MARCH 2021 MUSEUMS AND GALLERIES EXHIBITION TAX RELIEF - CVAN PILOT PROGRAMME

P. 1 OF 3

Contemporary Visual Arts Network

Museum and Galleries Exhibitions Tax Relief

SNAPSHOT – 10

THE MAC



THEMACLIVE.COM

The MAC is a cultural hub that opened in April 2012 as part of the ongoing regeneration of Belfast.

Normally open 363 days per year, they offer an eclectic programme of visual art, theatre, dance, family workshops and lots more. Since opening, it has attracted over 2.2 million visitors. These visitors have enjoyed a rich mix of more than 3,000 live performances, 40 visual art exhibitions and 100 family workshops.

WHAT HAS BEEN YOUR EXPERIENCE OF THE MGETR SCHEME?

MGETR has been hugely beneficial to The MAC. Like most artistic organisations, The MAC faces annual financial challenges to carry out its work. The fact that the MGETR scheme allows

What this amounts to for us, and contemporary art in Northern Ireland, is that it supports a full time assistant curator. The post-holder curates their own show at The MAC and through this exhibition we are able to secure additional funding and sponsorship, for example from

We outsourced accountancy work for our MGETR claim as we don't have the available financial resources within the staff team. Part of the claim goes towards that outsourced cost.

Sector Campaign to Retain and Enhance MGETR

In a series of meetings with museum and gallery partners, the positive impact of Government investment through MGETR as an unrestricted funding source was clearly articulated, and a collective commitment to make formal representation to Government to present the case for its retention in light of the sunset clause review. Findings and analysis developed through the MGETR Phase 2 programme helped inform this process and related campaign.

Across the MGETR Partnership group, priority actions were agreed as:

- mobilise the sector to increase uptake from eligible organisations;
- ensure that evidence was gathered on its impact to present to HM Government in making the case for the retention of the relief after March 2022.

The tax relief model for MGETR was originated through consultation with the larger museum and gallery institutions, with protocol and mechanisms taken from other CITR schemes. The requirement for charitable status as one of MGETR's Gateway Criteria was a barrier to easy adoption for many organisations. MGETR Activity eligibility excludes a range of exhibition production activity that would be considered commonplace within contemporary exhibition practices in museums and galleries at local and international levels.

With a united call across the sector for the retention of MGETR, there was variance in the requirements for MGETR enhancements from 'activity types' of museums and galleries that would allow greater innovation across particular aspects of contemporary exhibition production.

The enhancements to MGETR include;

- inclusion of education costs;
- extend the criterion of charitable status to include 'not-for-profit' organisations;
- include digital online exhibition development as eligible;
- include live works or live art/performance as eligible;
- allow sales of work or selling exhibitions.

The sector's MGETR Partner group is looking to continue a discussion and options appraisals to make the case to HM Government to extend its CITRs provision through the inclusion of a Tax Relief specific to the visual arts. One option looks to align investment into the wider visual arts ecology, including commercial galleries and selling agencies with business and community impacts, ensuring the UK retains its pre-eminent position in the international arts and cultural economy.

MGETR Support for Exhibition Touring

MGETR recognises and rewards the touring of exhibitions with a higher rate of relief at 25% (non-touring rate is 20%). MGETR's strategic support for exhibition touring aims to strengthen organisational collaborations, and extend touring networks, supply chains and facilities.

For exhibition costs to be eligible, the intention to tour must be agreed at the outset with partner organisations. The Primary Production Company assumes responsibility for the production of the exhibition taking the creative, technical or artistic lead, and exhibitions must be shown at a minimum of two venues. Secondary Production Companies are responsible for the production and running of the exhibition at their venue and can claim costs accordingly. At least 25% of the works in the initial exhibition must be displayed in subsequent venues, with a six-month period between deinstalling and installation at the next venue.

With MGETR Phase 2 programme coinciding with Covid-19 lockdown and the sector's urgent focus on resilience strategies, exhibition touring was of negligible importance. Therefore this report cannot show the impact of the tax relief on exhibition touring.

There is no doubt that MGETR's investment will incentivise this prioritised area of activity and innovation in the future, as has been demonstrated across other areas of museum and gallery programme development in this report.

EVIDENCE GATHERING

4.1

Data Analysis

A series of 15 case studies were undertaken in total during the Pilot Programme and Phase 2. In Phase 2 we based the selection of case studies on data produced by the YVAN team (**see section 2.1**) and reviewed through certain characteristics and a cascading rationale that were applied when deciding on the choice of organisation drawn from the UK visual arts and museums sector.

These characteristics also provide evidence on Audiences and Artform Commissioning which have a significance in making the case for the retention of MGETR as a lead-up to HM Government's sunset clause review. This is particularly so when considering evidence of the social impact of MGETR investment as having a 'trickle down' effect to audience and community. This is apposite in relation to organisations in Band 1 and 2 (**see section 4.1.1**) with their very immediate and direct relationship with local audiences, communities and artists and who can provide the groundwork for effective delivery of the UK Government's Levelling Up agendas⁵. This funding framework will invest £4.3 billion to mitigate entrenched economic, health and social inequalities across the UK regions as the government moves away from the EU Structural Funds model and towards the UK Shared Prosperity Fund.

⁵. <https://www.local.gov.uk/parliament/briefings-and-responses/levelling-agenda-house-commons-15-june-2021#levelling-up-white-paper>

○○ **This important area of council work must not be forgotten in the Government's Levelling Up ambitions – spending on culture and leisure is not a luxury; it is the commitment to the wellbeing of residents and the economic future of local places.**

The Levelling Up Agenda, Key Messages House of Commons,
15 June 2021

Selection of Case Study Respondents

The rationale is based on five broad selection criterion or ‘tests’ as:

Characteristics

Is the organisation already recognised and supported as part of regional or devolved nations portfolio of arts, cultural and museum sector organisations?

Though non-publicly funded charities can apply for the Tax Relief, the data sets used to select the case studies has been derived from the national and devolved nations as the primary funding and support mechanism for the UK’s cultural sector. However it is noted that in the new case studies one organisation representative of those sitting outside of the NPO/RFO/ AFP arrangement can be included in order to draw specific attention to artists’ not-for-profit organisations, artists studios or other artist-led spaces.

Is the organisation a registered charity?

Currently this tax relief is only available to those organisations with charitable status as determined by HMRC. In case studies from the Pilot Phase, it was noted that charitable status was a significant barrier to claiming MGETR. In Phase 2 Case Studies, it is noted that one organisation who is considering, willing or initiated applying for charitable status in order to claim MGETR, will be considered.

Has the organisation already claimed MGETR?

As an advocacy approach for the removal of the sunset clause and for greater uptake of the tax relief (particularly in the visual arts sector), the case studies are intended to show the Department for Digital, Culture, Media and Sport the value that the tax relief has brought to organisations. However, it is noted that the question of barriers can be addressed by looking both outwith charitable status and national portfolios for examples.

Geography

MGETR claims are calculated by the HMRC in the Annual Returns from registered organisations. It is a national offer and for all organisations who are eligible within the UK. Therefore we have considered the distribution of case studies carefully to reflect the national geographic distribution, relative to number, of supported organisations who can claim this tax relief.

Scale of Organisations

To determine the “scale” of organisation we have used ACE’s banding⁶ definitions.

In our research we have determined that, of the organisations that *were eligible*⁷ to claim the tax relief, 43% of organisations that sit within Band 3 have claimed, 36% of organisations that sit within Band 2 have claimed and 10% of organisations that sit within Band 1 have claimed⁸.

The remaining claims were made by Sector Support Organisations (SSOs).

Therefore the weighting rational follows the principle that the distribution of case studies by scale of organisation should inversely reflect the percentage distribution of those that *have* claimed.

This is to demonstrate to those **not claiming** both the value of doing so to organisations of a similar scale according to banding (and therefore expectations of the return on investment of public money) and to reflect the disproportionate nature of non-claims according to banding.

Audiences

To understand audiences as a criterion for selection, we consider the role and impact organisations have primarily in the UK, both at local and national levels⁹.

The rationale was that, with the exception of inbound local (i.e. within the UK) tourism as a measure, organisations who have a significant international dimension to their programming — including commissioning, touring and collaboration — are primarily situated in Bands 2 and 3 of the ACE banding areas. To maintain balance and representation for Band 2 and 3 organisations and to account for the proportion of Band 1 organisations who work internationally, a proportion of 20% of the case studies will be of organisations at least partly defined by their international activity.

Organisations in Band 1 tend to attract more local audiences, and galleries in non-metropolitan towns and rural settings attract 30% of their visits from within 15 minutes of their location. As such, their long standing and collaborative relationship with local audiences, communities and artists provide the groundwork for effective delivery of the UK Government’s Levelling Up agenda.

Overall 30% of *all* gallery visitors travel fewer than 15 minutes for their visit. This is similar to findings in the Museum sector. There is regional variation — this figure rises to 50% in the North East for example — but predominantly most audiences live regional. Outside of London (89%) the North West, North East and Yorkshire and Humber regions attract between 76% and 84% of their audiences from their own region yet only 20% of possible claims have been made across these Northern regions.

Artform Programme & Commissioning

In this criterion we looked at the relationship between audiences demographics and artforms in particular to determine where to focus case studies in relation to the popularity of particular artforms and demographic engagement.

Consideration has been given to the make up of programmes and audiences that differentiates museums from visual arts galleries, with a particular focus on the provision for younger people and those from diverse cultural backgrounds.

Predominant among visual arts gallery visitors are local (30%) and younger (under 35) audiences, with 41% of Visual Arts audiences aged 16–34, compared with 13% for most artforms while 41% of Museum audiences are over 65 years old¹⁰.

As eligible charities claiming the tax relief are dominated by the Museums sector in terms of finance reclaimed (in England where the relative data was gathered) over the Visual or Combined Arts organisations, particularly in the North of England, we have considered it important to reflect this in the case studies by focusing predominantly on the Visual Arts.

It is worth noting that Applied Arts, which includes visual arts, architecture and design, is particularly successful at attracting more ethnically diverse audiences, with 20% of its visitors as Black, Asian and Minority Ethnic people compared with just 15% of the population.

Therefore visual arts audiences reflect the ethnic makeup of the English population more closely than most other artforms. Crafts, on the other hand, is disproportionately dominated by white visitors.

○○ **The money can support our exhibition programme, all of which can be seen from Hoxton Street through our large glass frontage, and go towards local activities and programming. This enables us a bit more freedom when it comes to fundraising and programming, knowing we have a buffer of unrestricted funds to use.**

Rosa Harvest, Deputy Director, PEER (London)

⁶. Appendix 2 (page 36) of the ACE NPO 2018–22 Relationship Framework

⁷. Based on visual arts, combined arts and museum organisations with existing charitable status only

⁸. Figures rounded up to the nearest decimal

⁹. These assumptions are based primarily on the Visual Arts sector report by The Audience Agency published in the Autumn of 2019. It was decided to use data from this report as it was the closest final publication at scale report (104 visual arts organisations in England, 55,000 visitors surveyed) before the Covid-19 epidemic.

¹⁰. The Audience Agency, 2019

Selected Organisations as Case Studies

Based on the criterion previously outlined, the following organisations were therefore determined to be representative of the sector for new case studies to complement the seven case studies undertaken in the MGETR Pilot Phase.

Name of Organisation	Summary
New Bridge Project Newcastle, Pilot Phase	Adopter with independent finance support; eligible budget breakdown; benefits of YVAN input and peer support; benefits of MGETR on organisation.
The Centre for Contemporary Chinese Art Manchester, Pilot Phase	Early adopter; demonstration of benefits; issues related to activity eligibility; benefits of MGETR on organisation.
Bloc Projects Sheffield, Pilot Phase	Adopter with charitable status with external finance support; benefits of MGETR on organisation and activity; vital support in times of Covid-19.
Vane Newcastle, Pilot Phase	Not-for-profit therefore unable to claim; benefits of MGETR on wider sector if charity criteria was removed.
Artlink Hull Hull, Pilot Phase	Difficulty of managing the process without external finance support; need for accessible non-technical guidance resources and support programme.
Yorkshire Sculpture Park Wakefield, Pilot Phase	Lack of awareness of MGETR in accountancy infrastructure; need for good external finance support; how to be ready to apply; issues of activity eligibility.
Manchester City Art Gallery Manchester, Pilot Phase	Setting up a special purpose vehicle to claim as primary production company; peer-learning is vital; don't under claim; part of package of funding to respond to Covid-19 measures.

¹¹ Northern Ireland was notable as having only 1 organisation (out of a potential 97) to make a claim, leading to the assumption that the Tax Relief was not widely publicised there.

Dundee Contemporary Arts

Dundee, [Phase 2](#)

Supported staff by introducing real living wage; including digital going forward would be hugely beneficial; procured external accountancy to oversee process; less complicated than a lot of funding applications.

Modern Art Oxford

Oxford, [Phase 2](#)

Established a formula that was approved by external accountancy firm; increased confidence in philanthropic base; organisations should come together around accountancy support; digital commissioning as a way to continue programme if building is open or closed.

The MAC¹¹

Belfast, [Phase 2](#)

Unlocked additional funding to improve inbound tourism; pays for outsourced accountancy firm, who would be willing to help others; "stumbled across" the fund; supported a new assistant curatorial post; enabled more ambitious international exhibition.

Chisenhale Gallery

London, [Phase 2](#)

Used funds for curatorial training programme; restrictive eligibility ruled out claiming for performances; new role of "producer for local and online"; ability to claim should not influence curatorial decisions.

Peer

London, [Phase 2](#)

'Sunset clause' raised visibility of the relief; this unrestricted fund secures programme activity in a time of more competitive restricted funding landscape; paying for upkeep of digital platforms is a barrier to development; digital poverty and divide could be addressed through making artist-led workshops eligible.

The Common Guild

Glasgow, [Phase 2](#)

Took time to work out reporting model, but first attempt was successful, so used same model ever year; enabled confidence in production spend on exhibitions; including live performance costs would be beneficial; audio work became a focus as an innovative way to distribute digital content; low cost unrestricted funds for a project of your choice is a rare thing.

In Between Time

Bristol, [Phase 2](#)

Claiming theatre tax relief but preparing to claim MGETR through partnership with Arnolfini gallery; YVAN campaign useful in preparing for this; commissioned artists are asked to prepare digital as well as physical content; not all productions are "dramatic" — they can be interventions, provocations, workshops, spoken word events; claims as used to provide match for funding bids.

Artangel

London, [Phase 2](#)

Claimed Theatre, Film and MG tax reliefs; MGETR equates to 4.5% turnover in years claimed; claiming for curatorial time was main difference from other Tax Relief claims; claimed exclusively for using external venues; funds support (long) development time with artists; currently commissioning exclusive online content; YVAN templates very useful.

Summative Impact Findings by Organisation

● = evidence of positive impact of MGETR on the organisation

Organisation	Staffing	R&D	Reserves	Commissioning Artists	Education	Digital	YVAN Campaign	Ease of Accounting
New Bridge Project	●	●			●	●	●	●
The Centre for Contemporary Chinese Art	●			●				
Bloc Projects							●	●
Vane							●	
Artlink Hull							●	
Manchester City Art Gallery			●					●
Yorkshire Sculpture Park			●					
Dundee Contemporary Arts	●		●			●		●
Modern Art Oxford	●		●	●		●		
THE MAC	●		●	●		●		●
Chisenhale Gallery	●			●		●		●
PEER				●	●	●	●	●
The Common Guild				●		●		●
In Between Time		●	●	●	●	●	●	●
Artangel		●	●	●		●	●	●

Summative Impact Findings of MGETR from Case Studies

- The unrestricted nature of the returns from Tax Reliefs enabled organisations to tailor the use of the funds to address specific gaps. These included new (or pay enhanced) employed roles (40%), increased spending on artists commissions (53%), leveraging new funding from third party and philanthropic sources (46%) and increased community and educational activities (20%).
- Increasing eligibility to include commissioning digital content to be distributed online was seen as the major change organisations would like to see as it reflected the changes to audience retention and reach initiated during the pandemic and a strategic commitment to digital strategies going forward for organisations (60% total, 100% where the question was asked in Phase 2 Case Studies).
- Working collegiately as organisations has meant knowledge sharing on the Tax Relief across the sector is increasing, often galvanised around YVAN accountancy-focused Tax Relief dissemination events, FAQs and online resources (47%).
- The majority of organisations interviewed (67%) found the process straightforward, once an initial accounting process had been established.
- The process of establishing an appropriate accounting system was frequently (82%) done in discussion with existing external accountancy support.
- Early adopters have maintained the same accountancy process successfully since the beginning, though a significant percentage (55%) had changed accountancy firms.
- The cost of additional accountancy support was not prohibitive (90%), though some “shopping around” had to be done.
- ACE’s own recommendations for financial reporting have helped in devising appropriate accounting systems for the Tax Relief (40%).

Survey on MGETR Phase 2 Programme and MGETR Impact

To assess the benefit of YVAN’s MGETR programme and to gather data on the impact of MGETR on organisations, a SurveyMonkey questionnaire was designed and sent to organisations who had attended one or more webinars.

The survey findings will help to plan future MGETR support programmes by learning what was of most value to the sector. Importantly, organisations’ accounts of the overall impact of this tax relief is critical to creating an evidence base needed to present the case for the retention of MGETR to HM Treasury in response to its ‘sunset review’.

The questionnaire was open from 15th June–2nd July, and sent to 138 individuals as webinar and programme participants.

There was a 29% response rate which gives sufficient sample size as a reasonable ‘snapshot’ for evaluation purposes.

The profile of respondent organisations were:

- From a wide range of senior staff, as Head of Finance, Finance/Accountancy Manager, Director, and Creative Producer.
- From organisations across the breadth and ‘activity type’ of museums and galleries. Respondent organisations included: National Gallery of Scotland, The Serpentine, INIVA, Hampshire Cultural Trust, Modern Art Oxford, Liverpool Biennial and HOME (see Appendix 1).
- Across the English regions, the majority of respondents were from the South East (26%), with Yorkshire and the South West at 18%, and the lowest from the West Midlands (3%);
- 51% of respondents were designated as ACE Band 2, 35% as Band 1 and 12% as Band 3.
- 65% were NPOs and 35% non NPOs.
- 36% had received their first claim, 25% just submitted their first claim, 20% just started their claim, and 14% were still not sure if they could claim. 5% had decided not to go forward.
- 16 of respondents shared their organisation’s first claim amount which totalled £933,967, with £269,738 as the highest first claim repayment and £6,394 the lowest. These figures should be taken in the context with the scale of the organisation i.e. the lowest figure could be a significant income compared to their total turn-over. 28% of respondents preferred not to give the detail of the amount received.

Longitudinal Survey on MGETR Impact

Collaboration with University College London (UCL)

As this report demonstrates, there is a need to ensure that evidence is collected on MGETR trends and patterns of uptake and resulting impacts. This provides HM Treasury with quantitative and casestudy material that build on HMRC survey and commissioned research, and the baseline data produced in MGETR Phase 2. These findings, if undertaken on an annual basis, would also help the sector review and enhance its relationship to the tax relief to optimise claims.

A research collaboration between University College London (UCL), CVAN and its MGETR Allied Partnership is one option for collecting a body of stratified data within ongoing academic years. It could also lead on specific research questions, such as MGETR and digital innovation, or MGETR and its social impact.

There is interest from UCL in this model and, should the tax relief be extended beyond 2022, a longitudinal study of MGETR impact would be recommended. The university could offer research support undertaken by a dedicated consultancy team working to an agreed brief with an equivalent of 1.5 students' full time (35hrs) for roughly 10 weeks. The students have the support of the wide BA Arts and Sciences teaching team, and a dedicated staff member at UCL.

SNAPSHOT – 01

THE NEWBRIDGE PROJECT



THENEWBRIDGEPROJECT.COM

The NewBridge Project is a vibrant organisation supporting the creation of new and pioneering contemporary art through an ambitious programme of exhibitions, commissions, events and artist development.

We create platforms for audiences to engage with the creative process, while nurturing artistic and curatorial practice in an engaged and discursive community. Our programme places collaboration and learning at its heart and seeks to be a genuine community resource.

WHAT WAS YOUR EXPERIENCE OF MGETR?

We claimed MGETR for the first time in 2019. We claimed just under 15% of our total expenditure on Exhibitions in the previous financial year, and our claim was successful. We received tax relief of £14,449, 1 month after submitting the claim (we submitted the claim on 18 October, and received the tax relief on 20 November 2019).

WHAT WAS YOUR EXPERIENCE OF FINANCIAL REPORTING OR CORPORATION TAX BEFORE THIS?

We had not submitted a tax return before. We were originally a CIC and became a registered charity in 2018—this made us eligible to claim MGETR (but was not the reason we became a charity). When we became a charity we also appointed a new accountant who has extensive experience in working with charities and art organisations.

G E T Involved **G E T** Organised **G E T** Funded



Click to view all 15 MGETR case studies

15.07.2020 MUSEUMS AND GALLERIES EXHIBITION TAX RELIEF

C V Contemporary Visual Arts Network
A N

SNAPSHOT – 03

BLOC PROJECTS



BLOCPROJECTS.CO.UK

WHAT HAS BEEN YOUR EXPERIENCE OF THE MGETR SCHEME?

We attended the first MGETR workshop run by YVAN in July 2019, and discussed engaging with the scheme, as well as being company limited by guarantee and how to set up the systems to make it work properly. It was clearly something that you had to think about properly, not an overnight decision as it looked as if you had to think about the systems to make it work properly.

G E T Involved **G E T** Organised

01.05.2020 MUSEUMS AND GALLERIES EXHIBITION TAX RELIEF • CVAN PILOT PROGRAMME

P. 1 OF 3

C V Contemporary Visual Arts Network
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M Museum and Galleries Exhibitions Tax Relief
G E T
R

SNAPSHOT – 02

CENTRE FOR CHINESE CONTEMPORARY ART (CFCCA)



CFCCA.ORG.UK

Centre for Chinese Contemporary Art is the national lead in bringing Chinese contemporary art and visual culture to a UK audience. CFCCA programmes, showcases and supports artists through exhibitions, events, artist residencies, collaborations and research projects.

The CFCCA building comprises two gallery spaces, a purpose-built artist studio and residence, a shop, an Archive & Library resource and flexible events space on the lower floor.

WHAT WAS YOUR EXPERIENCE OF MGETR?

We were early adopters of MGETR, and the financial year 2019/20 will be our third year of application. We applied for less in 2018/19 than in 2017/18 because less exhibition costs in our programme for 2018/19

The legislation is clear about what percentage of eligible costs can be claimed, and as none of our exhibitions had been touring we claimed at 20%. Each exhibition is treated as a separate 'trade' with its own income and expenditure, and the claim is limited to the extent that the individual

So for us, this resulted in a claim for total eligible costs in our exhibitions for the 2018/19 year of about £63,000 and we received £12,744 back. We had successfully claimed £17,500 for the financial year £2017/18. Our claims included some overheads and staffing costs,

15.07.2020 MUSEUMS AND GALLERIES EXHIBITION TAX RELIEF

C V Contemporary Visual Arts Network
A N

SNAPSHOT – 04

VANE GALLERY

MAKING THE CASE FOR DIGITAL EXHIBITION PRODUCTION

The Pivot to Digital

With the Covid-19 pandemic, Museums and Visual Arts organisations turned to digital arts forms and platforms for online exhibition production as a means to continue some form of public programme in difficult circumstances. Galleries' digital spaces and platforms have proven to be an efficient way to continue to engage existing audiences in lockdown and reach new audiences. Online platforms have the most frequent visitors as, on average they attend six times a year compared with twice a year for traditional building-based visits, and are dominated by a younger demographic (under 35).

The case for supporting digital arts specifically is based on evidence that both Visual Arts organisations and Museums see audience engagement benefits to continue the practice of including digital arts exhibition production and its online distribution in their programme beyond Covid-19.

The rise of new tools and platforms in reaction to the Covid-19 pandemic in the private arts sector indicates both an accelerated response from the global art markets to changing consumption patterns for art during lockdown and a reaction to the closure of traditional physical world market platforms (festivals, art fairs etc.).

It's unprecedented...after talking about it for years, a lot of people are finally seizing the opportunity of online.

Alison Cole, Editor Art Newspaper, June 2020

In the public sector, institutions have pivoted their exhibition development to create innovative digital works to retain current, and reach new, national and international audiences. Examples include such as J. Paul Getty Museum's use of the Animal Crossing: New Horizons, the National Portrait Gallery's use of VR in the BP Portrait Awards 2020 online exhibition and the Manchester International Festival's use of games platform Fortnite to commission new work.

The UK's National Gallery had a 1000% increase in virtual tour compared to same time last year (May 2020), the British Museum online collection went from 2,000 visits weekly to 75,000 (June 2020), the Courtauld Gallery virtual tour had a 723% spike in March and Swiss modern art gallery Hauser & Wirth's virtual viewing rooms jumped from 20,000 visits weekly to over 60,000 (April 2020).

Although reports from individual organisations indicate a significant upswing in access to digital content from their audiences, there is scant hard evidence at scale on how large the upswing is and how sustained the pattern changes will be over time. However, a few early studies show a small but significant increase in new audience for arts consumption.

Audience Behaviours

A six weeks study from April to May 2020, of over a thousand 16+ year olds done by Nesta's Policy and Evaluation Centre¹² showed a distinct initial spike in new traffic to what it defines as *Non-Traditional Consumption* as;

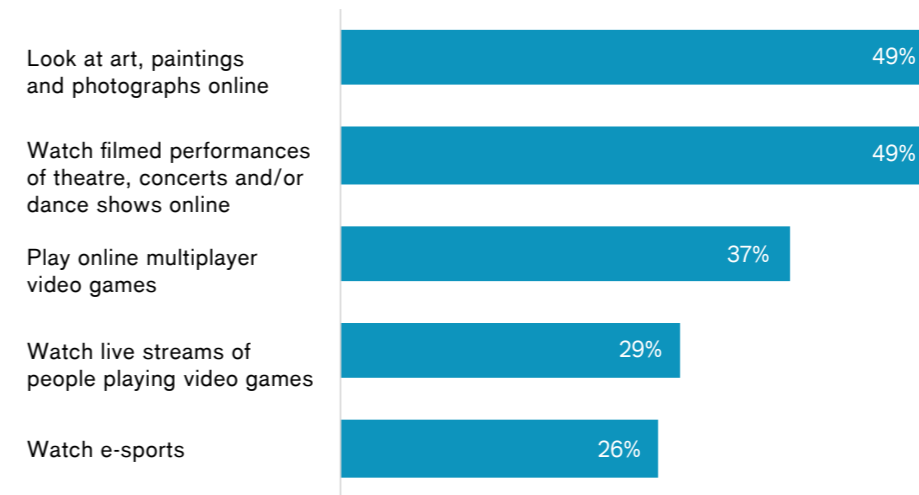
A range of non-traditional cultural activities were included in the study. Here we focus on engagement with video games (playing multiplayer games themselves and/or watching e-sports or live streams), watching filmed performances (i.e. of theatre, concerts and/or dance shows online) and looking at art online (e.g. paintings and photographs).

The survey (Figure 11) shows a sizable and healthy portion (49%) of those surveyed had "ever" looked at "art, paintings and photographs online" or "watched filmed performances of theatre, concert...", significantly more than those that had "ever" watched e-sports or watched live streams of others playing video games online (26% and 29%).

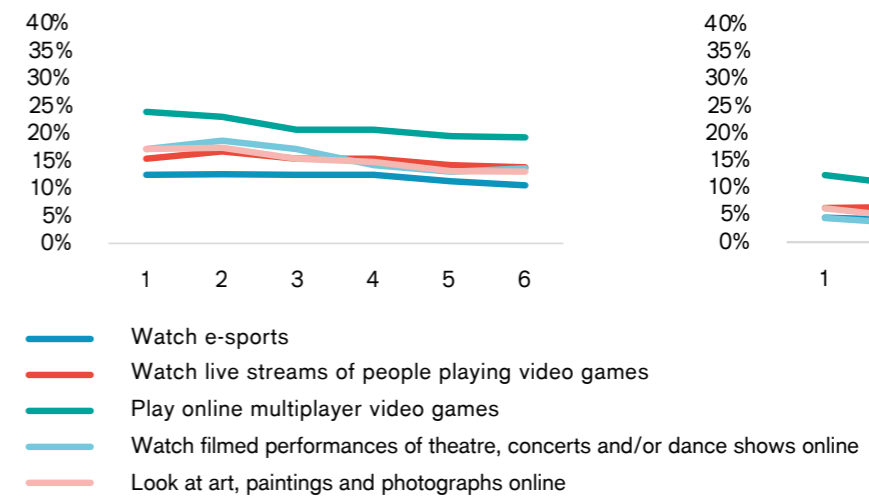
The data is based on only a relatively small sample set, and a larger data set with more granular detail that includes demographics over a longer period of time is needed before any firm conclusions can be drawn. However it does seem to indicate a firm audience for online consumption of arts activity among the "general public" as opposed to arts organisations' loyal customer base.

This is small but good news for those organisations now investing precious time and resources to enable arts content to be seen in lockdown digitally, on the platform of their choice.

Ever Undertaken This Activity



Undertakes Activity (Weekly)



Undertakes Activity (Daily)

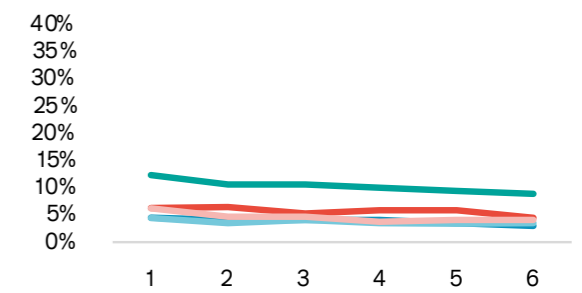


Figure 11.
Trends of online audience activity for arts and culture,
Creative Industries PEC, NESTA n= 1000+

12. [The-PEC-and-the-IPO-cultural-consumption-study-insights-from-the-six-week-study.pdf](#)
August 2020

Sector Response and Resourcing

A recent survey by the North East Cultural Partnership (NECP) asked the question of arts organisations directly:

Do you/your organisation have the potential to offer its services or programmes to the public online? Could you tell us if this is something you are actively exploring?

Of the 121 respondents who answered this question, 79% of responses were positively inclined to developing online exhibition content, with some able to offer their content online, some asking for advice on how to do this or how to improve their platforms to make a digital offer possible. Respondents expressed concerns as to how to monetise an online offering and advised that online provision is now a crowded space during lockdown.¹³

However the ability to do so seemed dependant on a lack of staff skills to a (uncertain) degree and may also have been stymied by staff shortages.

Have you been able to redeploy or find alternative ways for staff to continue their roles?

103 responders answered this question. Only 35.92% of organisations have been able to redeploy or find alternative ways for their staff to continue their roles.

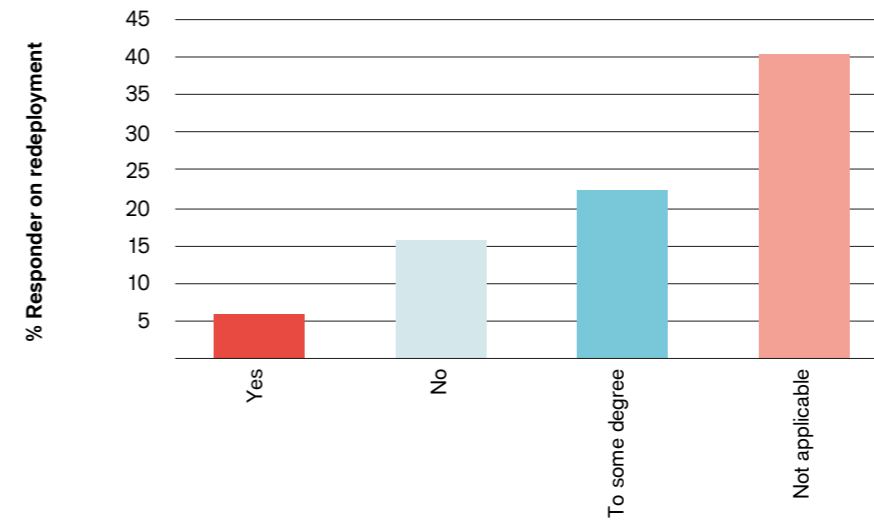


Figure 12. Analysis of NECP Covid-19 survey on Arts and Heritage Sector, June 2020

The necessity to create a more detailed picture of the UK arts and cultural sector audience's engagement with emerging technology online and in-home is imperative if we are to develop a better prepared and more robustly supported sector. The current Covid-19 crisis in the sector is an ideal environment in which to conduct this research as it could be a pivotal moment in consumer demand for remote and virtual experiences.

This is echoed in Andrew Chitty's introduction (written during the Covid-19 lockdown) to the Audience of the Future (main analysis pre-Covid-19) analysis and report on audiences and immersive technologies:

Before the Covid-19 pandemic in 2020, one key finding was that audiences are potentially reluctant to embrace immersive technology in the home, favouring location-based experiences as a way to dip their toe in the waters of this new technology. Whether the pandemic has changed audience behaviour permanently is something that future studies should address.

From an Introduction to Audience of the Future: The Immersive Journey Report July 2020 by Professor Andrew Chitty, UKRI Challenge Director for the Audience of the Future and Creative Industries Clusters Challenge

¹³. Other respondents were 22 (18%) said 'No' and 4 (3%) said 'N/A'.

Making Digital Eligible Under MGETR

A nascent picture is emerging of the shape of a blended exhibition development and production offer from the cultural sector post-Covid-19.

New ideas are being rapidly prototyped and new platforms deployed. In some organisations there is both a cautious optimism and the beginnings of an understanding of the importance of digital spaces as an extension of in-venue exhibition, engaging local and national audiences and forming part of an organisation's resilience strategy. This is evidenced by the increase in online and virtual visiting experiences. Traffic to cultural venues online sites, specifically those operating a virtual experience, have increased dramatically.

We argue in this report for the inclusion of digital exhibition production, that includes commissioning and distribution platforms, become MGETR eligible. We look specifically at the post-Covid-19 era and consequent opportunities for digital or blended productions and delivery as part of long term strategic plans for UK arts and cultural institutions audience growth. This considers platform delivery, content management, partnership development and access to new audiences and resources.

○○ **The inclusion of digital programming expenditure would enable us to support more artists and it would extend the scope of our audience-reach nationally and internationally. It would enable us to be more intelligent in evaluation and data capture as well, strengthening our ability to make the case to funders about impact and specifically engage more with individual donors, trusts, and foundations about the impact of our digital agenda.**

Paul Hobson, Director, Modern Art Oxford
Phase 2 case study, 2021

Impacts of Making Digital Eligible

Through a mix of desk research into the existing literature, historic and contemporary case studies, and sector-specific knowledge of the strategic direction from leading institutions in the Cultural Industries, there is a clear rationale for the inclusion of exclusive digital platform commissioning and content support in the Tax Relief post-Covid-19 from the following four perspectives:

The Cultural Impact

Covid-19 has had a significant impact on the activities and viability of those in the CI sector, and has begun to impact on the sector's approach to using digital technologies more widely, creatively and strategically. Addressing both of these factors is significant in developing a sustainable response to the crisis in the present, and one that better prepares CI organisations for the future.

The Covid-19 crisis presents the biggest threat to the UK's cultural infrastructure, institutions and workforce in a generation. The loss of performing arts institutions, and the vital work they do in communities by spreading the health and education benefits of cultural engagement, would undermine the aims of the Government's 'Levelling Up' agenda and Arts Council England's next 10-year strategy, and reverse decades of progress in

cultural provision and diversity and inclusion that we cannot afford to lose.

Getting In and Getting On – Class, Participation and Job Quality in the UK Creative Industries” by Heather Carey, Rebecca Florisson, Dave O'Brien and Neil Lee (August 2020)

CIs and their Sector Support Organisations (SSOs) have primarily focused attention online. Audiences appear to be reluctant to re-engage with in-venue experiences with a slow acceleration towards October 2021 if not later. It is unlikely audience figures will recover to pre-Covid-19 levels before this date.

New micro-commissioning has proven popular, with short design, exhibition and delivery cycles for artists and the creative industries, with a limited number providing further development opportunities. Gaming platforms have proven popular with commissions both large and small, as well as social media platforms and video. For organisations with existing digital assets, a pivot towards a free (away from a normally paying) model of online content has proven popular, but is unsustainable.

Being able to claim costs against digital commissioning would be hugely beneficial. Our projects budget for digital work will increase considerably over the next few years. We are learning how best to do that, but it requires resources. It's a new space and a new way of working and arts organisations are keen and committed to working in that realm, for new audiences, accessibility, and to increase geographic reach — which we've learned a lot about in the last year.

Beth Bate, Director,
Dundee Contemporary Arts,
Phase 2 case study, 2021

The Technological Impact

The ACE's strategic support in the face of Covid-19 has been primarily focused on the immediate and complex needs of the organisations they support, focusing on relaxing restrictions on the use of funds and supporting the pivot of cultural activity to online spaces for a broad set of audiences and communities.

However, most organisations (60% of total, 100% where the question was specifically asked) we surveyed as part of our case studies reported some form of long term digital strategy that has been accelerated by the situation of Covid-19. Staffing and technical skills within organisations remained a challenge, with some novel solutions emerging from collaborative and collective actions and activities at local, national and international levels.

A CI sector snapshot offers some insight into technology focus areas going forward. A number of organisations reported a disinclination in exploring in-venue VR immersive experiences and a focus instead on online and augmented or extended reality experiences. Games platforms were cited a number of times by interviewees as an area of focus, as were social media platforms. Cost points of immersive technology was cited several times as a barrier for creatives and cultural organisations alike, as well as the necessary training and skill sets needed to both operate and manage audiences with tools such as immersive technology. Younger audiences (16–25yrs) were more adaptable to emergent platforms, virtual viewing and remote interaction.

From the first lockdown we initiated a series of digital commissions; not only helping us to keep in touch with audiences but also staying true to our critical mission to support artists and continue to work with and pay artists... We now have a new role of Producer for Local and Online, and are committed to working with digital platforms going forward.

Isabelle Hancock, Deputy Director, Chisenhale Gallery Phase 2 case study, 2021

The technical skill sets in cultural organisations need to be reviewed. Understanding the gaps in skills in cultural sector work and designing the mechanisms to support these, should be a national priority.

Inclusion of these outgoing platforms and training or staff costs as a form of relief through the MGETR would support the acceleration of a more blended digital/physical offer from the cultural sector. This would encourage sustained long term development of all charitable cultural organisations.

The Economic Impact

Thinking of resilience is often a short term perspective that does not account for how the sector needs longer term planning (and rethinking) for sustainable and inclusive growth (Wilson et al., 2020) that will, in turn, provide future resilience. Of course, this requires a critical reflection on the business models and inner workings of the sector and possibly a shift away from discourses of economic growth towards emerging new agendas of creative social economies.

Creative and cultural work without filters: Covid-19 and exposed precarity in the creative economy Roberta Comunian & Lauren England 2020

The first and most immediate impact of the Covid-19 pandemic in the cultural sector was its effect on the financial stability and planning for cultural and creative industries organisations.

When representatives of the sector were asked for their responses to the financial impact of Covid-19 replies were both reflective and generally positivist in nature, citing examples of proactive responses that attempted to support those in their constituency and in their network of practitioners while at the same time addressing dispersed audiences now primarily accessing arts content online.¹⁴

There is some recognition that cultural organisations need to operate more collectively going forward, including working strategically with Higher Education Institutions (HEIs) on sharing research, buildings and technology for developing the new skills required to build on a new blended offer of digital and physical spaces.

CIs are starting to commission “born digital” works. This is increasing in number but the capacity to do this is reduced due to a combination of furloughing and recruitment freezes.

○○ **There is on-going and significant expense to keeping up with a digital offer, including the challenge of the sheer noise and volume of the competition in the digital space.**

Paul McIlwaine, Director of Finance and Corporate Services, The MAC (Belfast) Phase 2 case study, 2021

¹⁴ Arts Sector's Response to Covid-19, report for Audience with a Hero, Roger McKinley 2020 (unpublished)

Impact on Audience Development

To thrive in a post-Covid-19 environment, arts organisations and museums need to consider the impact of Covid-19 on the habits of audiences. Developing lateral and vertical approaches to these complex social and economic challenges will require a coherent, innovative, agile and multi-platform design approach. Taking the art to where the audiences are in a post-Covid-19 world needs smart thinking — a world where audiences are distributed more than ever between the digital and physical platforms.

From cinema to arcades, art galleries to museums, the delivery of storytelling, culture and entertainment in physical spaces will have to be, in the short term at least, re-engineered.

We see online as simply another type of site, another space, exhibiting work online is always one of the options for Artangel and it seems odd that this is specifically excluded. It's a bit like saying you have to exclude an exhibition that is put on in a park, for example.

Cressida Day,
Managing Director, Artangel,
Phase 2 case study, 2021

More research work is required to understand better the complexity of the arts ecology for practitioners and cultural spaces in the light of the impact of Covid-19. This will inform collective strategic action at scale across cultural organisations, creative industries, and HEIs. It should support the sharing of research, buildings and technology to deliver the new skills required for a blended offer of digital and physical spaces across the breadth and depth of the sectors.

The innovative, novel and engaging deployment of emerging technology, especially in out-of-venue experiences can support this, but the primary focus should be on qualitative experience design across the entire end-to-end customer and audience journey, and especially how this is blended or deployed in mixed and multiple platform experience that includes physical as well as digital spaces. This will encourage audiences back into buildings, and capitalise on the audience's greater familiarity with primary digital spaces.

Necessarily, funding and support is currently focused on the immediate and complex needs of the cultural sector and primarily focusing on retaining staff and reopening buildings. However most organisations interviewed have begun, or have accelerated, a long term digital strategy. Funding is needed to support these strategies and recognise what new forms of exhibition and distribution of cultural content are now available and what makes them successful.

One survey report carried out by BVA BDRC (see figure 13) on behalf of the leisure and hospitality sector captures (among others) the mood and activities of the nation, tracking consumer sentiment towards out-of-home experiences in the current Covid-19 setting and anticipating their habits through asking about their *likely* predicted future activity.

The survey asks about the *visit versus view online* axis and *how far away* that is likely to be, specifically on a more granular level in May and June (2020), two critical months during lockdown that represent the transition from closed public buildings to open public buildings in July. This metric gives a useful snapshot of the "risk factor" perceived by audiences for visitor attractions.

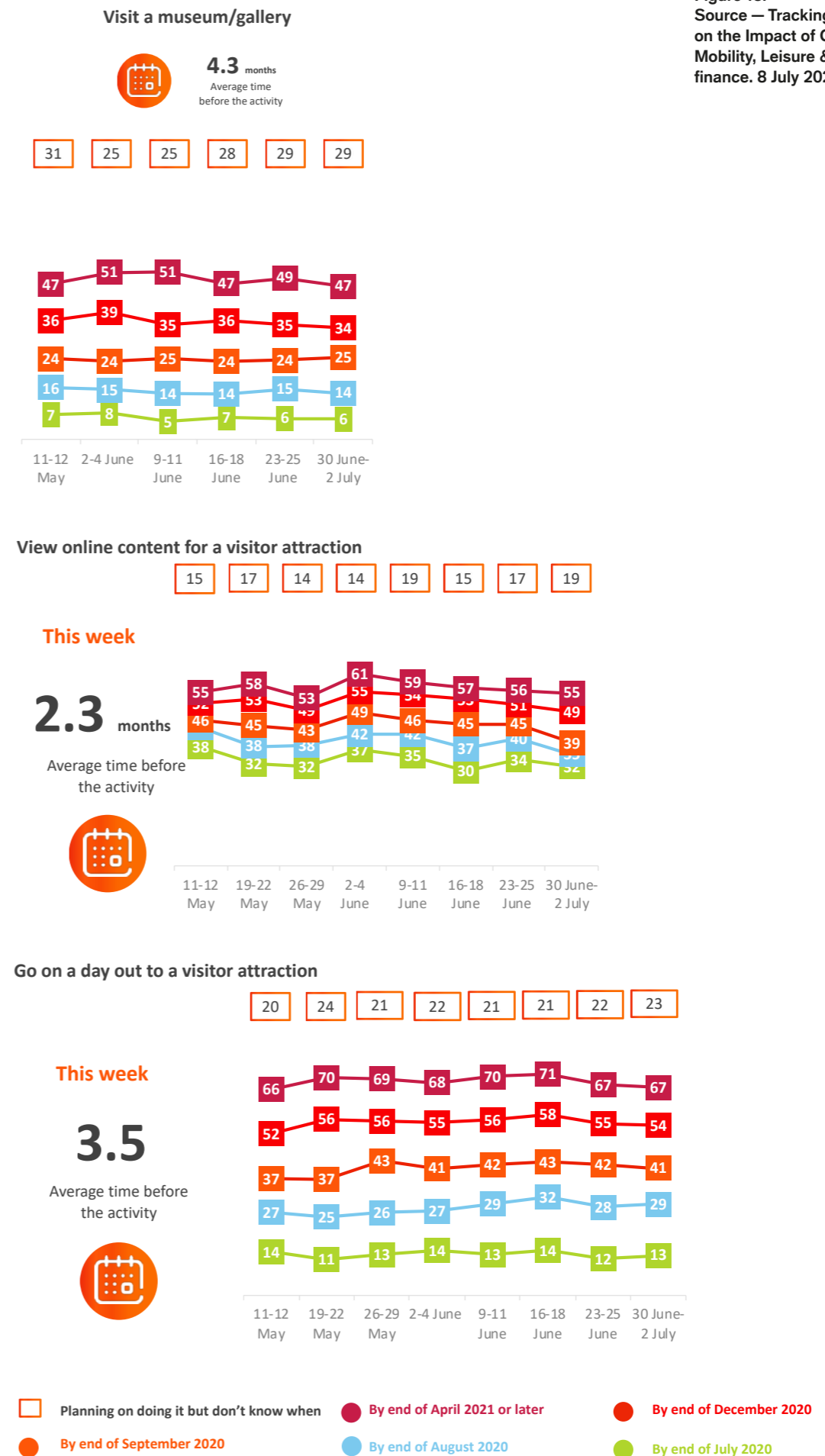


Figure 13. Source — Tracking Consumer Sentiment on the Impact of COVID-19 — Travel & Mobility, Leisure & Hospitality, Personal finance. 8 July 2020. BVA BDRC Report.

These results indicate a significant unwillingness to visit Museums and Galleries in July, August and September (2020) among a large majority of the participants and even, though to a less pronounced degree, or even view online content for a visitor attraction. There are consistently high numbers reserved for those not anticipating going to a visitor attraction by the end of April 2021 or later. The average time before a visit to a Museum or Gallery is 4.3 months.

Consideration of this should be made by those preparing or already committed to rolling out digital content online as an alternative to venue visiting, when and how that happens (online versus blended versus in-venue) and at what scale.

The snapshot analysis above offers some indication of the depth and breadth of the cultural impact that Covid-19 has had, and will continue to have, on the Museums and Gallery sector immediately and going forward.

5.5

Key Findings — The Case for Digital

- NPOs are starting to commission “born digital” works and these are increasing in number in response to the Covid-19 situation.
- Cultural organisations recognise the need to operate more collectively going forward, apportioning tasks and responsibilities more smartly and not operating in silos.
- Equality, Diversity, and Inclusion issues are high on the agenda in outreaching via “born digital” works. Wider community engagement still presents a significant challenge.
- Regarding audiences, the numbers of people reached, and entry points to content have increased online especially for younger audiences — Covid-19 seems to have removed some barriers, but it is uncertain if this will be sustained.
- There is an increasing strategic use different digital platforms in programme as alternative spaces for projects.
- Arts organisations are aware of the competitive nature of the digital space for audiences.

FINDINGS AND RECOMMENDATIONS

6.1

Sector Uptake

Recommendations

- Retain MGETR after March 2022.
- Use sector evidence to ensure HM Treasury is aware of the economic, social and cultural benefits of MGETR.
- Ensure MGETR is equitably distributed geographically and aligns with HM Government's levelling up agendas and future growth strategies for the UK Creative Industries.

Findings

- The potential benefit of MGETR for the arts and heritage sector cannot be underestimated. Once received the funding is unrestricted, to be used as determined by the organisation, claimed on an annual basis as part of audit and built into budget forecasts.
- From 2018–20, there was an increasing uptake of MGETR with a sharp increase of 300% in the value of claims, albeit from a low starting point of 0.4% of total Creative Industry Tax Relief (CITR)¹ and a 248% increase in numbers of projects claimed over the same time period — over eight times greater than the next highest CITR increase (High End TV). HMRC 2020/21 data shows a likely effect of the Covid-19 pandemic and closure of gallery and museums, as the number of projects claimed grew at a much slower rate, dropping from a 248% increase (2018–20) to just under 50% (‡20/21).
- Despite the increased number of projects claimed for, MGETR was one of the only three Creative Industries (CI) to receive less tax relief in 20/21 than in 19/20 — the others being Orchestra and Children's TV. Museums and Galleries' total claims fell by 12.5% though the total Creative Industry Tax Relief (CITR) rose by just over 17% (‡20/21).
- Only 23.4% of charitable NPOs were claiming MGETR (Arts Council England and Charities Commission 2019-20).
- For MGETR, the pattern tends to be that smaller financial claims are made but in greater numbers when compared to other CITRs. (HMRC 2018/19, 2019/20). This is corroborated by HMRC data that shows 49% of all claims are for £25,000 or less (‡20/21).
- Major institutions, some of which report directly to the Department for Digital, Culture, Media and Sport, receive the largest proportion of MGETR². This study focuses on the remaining percentage who have grant-based relationships with Arts Council England, Arts Council Wales, Arts Council Northern Ireland and Creative Scotland, through NPO status or equivalent.

¹ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/826824/August_2019_Commentary_Creative_Industries_Statistics.pdf 2019 and 2020

² Includes V&A Museum, National Maritime Museum, Southbank Centre, Imperial War Museum, British Museum, Tate and Science Museum Group

Accountancy Support

Recommendations

- Focus sector support on NPO Band 1 and 2 organisations to create better awareness of MGETR, helping each to develop robust self-certifying mechanisms and to connect with an accountant with CITR knowledge and with the 'best fit' and price.
- Develop a checklist of questions for use when organisations appoint an accountant.
- Develop a 'preferred list' of accountants with CITR experience relevant to the sector, with recommendations from cultural clients.
- Enable ACE to develop and deploy an accountancy support package, specifically for organisations in Band 1 and 2.

Findings

- Peer-led CPD support programmes to enhance the uptake and optimise claims need to continue.
- The relationship with an accountant is critical, yet organisations must develop their own internal logic and mechanism to self-certify their returns to the accountant. Sharing good practice and practical advice by the sector to the sector remains critical.
- There are accountants with MGETR knowledge and expertise but this is a specialist service. Organisations need a checklist when selecting an accountant. There is some evidence of a lack of clarity in accountancy fees with accountants learning 'on the job' whilst charging.
- A first claim might take time to prepare and require communication with the HMRC team but developing a good 'transparent' practice will enable a win-win in that it will be easier for HMRC to process future claims.
- There remains a significant percentage of smaller eligible organisations, particularly in ACE NPO Band 1 and 2, that need direct invitation as they lack internal resources to respond or, in some cases, have been misinformed by accountants that they are not eligible.
- Expenditure related to dormant or abandoned exhibitions due to Covid-19 can be claimed as expenditure is cumulative and claimed in each time period.

The Case for Digital

Recommendations

- Include exclusively digital platform commissioning as eligible expenditure.
- Recognise that the adoption of exclusively digital production and distribution is part of the global advancement of exhibition programming that capitalises on the accelerated adoption of existing and emergent technologies made under Covid-19 restrictions for both audiences and cultural institutions.
- Define how digital platform delivery as legitimate exhibition production differs from website development or infrastructural and marketing activity, which would remain ineligible.
- Define digital platforms and other forms of exclusively digital delivery, including emergent platforms such as virtual reality, social media, gaming, and web based or hand-held platforms that use 3D and augmented reality tools.
- Recognise digital exhibition programming, if made eligible, will mean closer working relationships between the UK's cultural sector and its Creative Digital Industries (CDI) sector. This will be a means to scale up advances made in other Government supported programmes such as Innovate UK and the Creative Industries Sector Deal. The opportunity for the cultural sector to procure services from the CDI sector, through research, product deployment, experimentation, and innovation, will accelerate recovery for both.

Findings

- Widening eligibility to include commissioning digital content to be distributed online was seen as the major change organisations would like to see. It reflected the changes to audience retention and reach initiated during the pandemic and a strategic commitment to digital strategies going forward for organisations (60% total, 100% where the question was asked in Phase 2 Case Studies).
- The post Covid-19 era presents significant opportunities for exclusively digital or blended exhibition production as part of UK arts and cultural institutions audience growth globally.
- Cultural organisations are investing in commissioning "born digital" works and are strategically using new exhibition platforms and formats to identify and leverage alternative funding sources.
- Entry points for the arts content have increased through online activity, especially for younger audiences. Evidence shows that Covid-19 conditions have created the stimulus for the removal of demographic and geographic barriers to the cultural offer. However wider community engagement and digital poverty still presents a significant challenge.
- The cultural sector technology infrastructure needs addressing, and skill sets need evolving.

For this report "Digital" or "Digital Commissioning" is defined as: any artwork, or integral part thereof an artwork, that is commissioned, designed, and presented solely on a digital distribution platform.

Sector Profile

Recommendations

- Financially support CVAN and its regional networks to identify and target eligible organisations not taking up MGETR to ensure all eligible organisations benefit.
- Continue to collaborate with HMRC CITR team in the direct delivery of the sector support webinar programme.
- Develop and deliver targeted online support programmes that include peer-led knowledge-sharing.
- Identify any other sub-groups that fall within MGETR eligibility criteria for bespoke support including artist studio organisations, public art commissioning agencies and university and local authority galleries.

Findings

- There is a far broader range of organisations that meet the eligibility criteria which might not have been initially considered. In addition to museums, galleries and arts venues, 'activity type' of organisation can include artist studios and artist-led spaces; sculpture parks; festivals and biennials; cross artform centres; public arts agencies; and in some cases, crafts and designer maker centres.
- Use of temporary space for exhibitions can be claimed under MGETR. This is a high value opportunity for eligible organisations who do not have a permanent space but use temporary sites to host activities. This also incentivises off-site, pop-up and 'meanwhile use' strategies to locate programmes in context-specific sites and for targeted audience development.
- Continued support work is required to better understand the complexity of the MGETR application process for cultural organisations to prevent this being a barrier to making a claim. This is particularly so for Band 1 NPOs or other eligible organisations who fall outside formal funding relationships, as they are less likely to have the resources to claim.
- The impact of MGETR on audience development within each of the ACE NPO Bands should be evidenced through a longitudinal study to assess secondary impacts that deliver HM Government's levelling up agendas and growing the soft power and status of the UK Creative Industries internationally.
- A misunderstanding of MGETR eligibility is still prevalent in the sector and prevents uptake — this includes the requirement and history of paying corporation tax, and the need to show a loss in project Profit and Loss accounts.

Organisational/ Sector Impact

Recommendations

- Align awareness raising activities for MGETR with Theatre and Film Tax Relief to ensure organisations are fully aware of all options for claiming.
- Commit to continuous data gathering, transparency, and publication of organisations claiming MGETR that should include the financial value of claim, number of claims, Bands, region, and artform across the devolved nations.
- Ensure guidelines and directives for the collection of data from funders are clear and are at the level of devolved nations.
- Use data from the HMRC and ACE to show up to date recent patterns and trends across the home nations related to increased uptake, Bands, and 'activity type' of organisation.
- Evidence the impact of MGETR on exhibition touring following the lifting of Covid-19 restrictions.
- Establish a longitudinal study through a formal partnership with a research institution to enable annual reviews based on evidence gathering and to publish a summative review at the end of a 5-year period.

Findings

- The fact that the MGETR returns are unrestricted funds is of primary importance, as visual arts organisations can use these as they see fit and at “pinch points” in their own individual organisations. Returns are used to mitigate the impact of other funding cuts, specifically in the last eighteen months when philanthropic commitment and other funding streams have become more competitive.
- MGETR brings resources to the sector to support R&D and innovation. Visual arts organisations, in particular, are channelling funds into the creation of new exhibitions and expanding the scope of planned commissions enabling greater innovation in production and dissemination. Organisations primarily used core funding to cover estates and staffing costs with the majority of programme funds being raised, sometimes exclusively, from elsewhere.
- Cultural organisations, especially smaller organisations, are investing further in their local educational and outreach programmes where they feel the greatest impact will be. These commonly have widening participation agendas to improve community health and wellbeing. MGETR optimises fundraising from more mixed income streams for generating new — or supporting existing — programmes.
- There is an active re-imagining of the idea of public space beyond physical and in-gallery spaces. This is being researched and presented in strategically different exhibition formats with innovative programming of artists’ work in external public spaces. This re-affirms the arts contribution to the revitalisation of our high streets and culture-led regeneration.
- Cultural organisations are very aware of the precarity of the sector’s financial support. Ironically some of those organisations who were most progressed in this — where ticket sales (for example) support a more balanced financial picture — have been most impacted by Covid-19. MGETR provides investment to this mixed model income portfolio to leverage additional support while enabling more core funds to be allocated to gallery and programme provision.
- Cultural organisations recognise the need to collaborate with sector peers to share resources and knowledge, and to apportion tasks and responsibilities more smartly. This is especially the case with MGETR in helping support sector CPD in finance and reporting, and even accountancy provision.
- MGETR’s strategic support for exhibition touring aims to strengthen sector collaboration and extend touring networks, supply chains and facilities. MGETR Phase 2 cannot evidence impact due Covid-19 but there is a high degree of certainty that MGETR’s investment will incentivise sector activity and innovation in future touring
- MGETR’s activity eligibility criteria excludes exhibition programme activities such as digital, live art and sales. This can be shown to constrict innovation within contemporary practices in the UK museums and galleries sector, and the status and growth of the UK art market on an international level.
- There is the opportunity to mitigate the ineligibility criteria of ‘live works’ in MGETR by claiming Theatre Tax Relief. With regard to ‘live arts’, performed works and experimental theatrical productions, visual arts agencies are claiming Theatre Tax Relief.

Appendix 1:
MGETR Phase 2 Survey
Participating Organisations

Appendix 2:
MGETR Phase 2 Support Programme
Participating Organisations

Appendix 3:
Example of MGETR Case Study
#9 Modern Art Oxford



Click to view
all 15 MGETR
case studies

Appendix 1: MGETR Phase 2 Survey — Respondent Organisations

a space arts
 A Space Growing Creative Communities Ltd
 Absolutely Cultured Limited
 Arnolfini Gallery
 Artangel
 BALTIC
 East Leeds Project
 GMAC Ltd (HOME)
 Hampshire Cultural Trust
 In Between Time
 Independent
 INIVA
 Liverpool Biennial of Contemporary Art Ltd
 Llantarnam Grange Arts Centre
 Manchester City Council
 Mission Gallery
 MK Gallery
 Modern Art Oxford
 MOSTYN
 Museums Northumberland
 National Galleries of Scotland
 National Maritime Museum Cornwall
 Newlyn Art Gallery Limited
 Peacock Visual Arts Limited
 Petersfield Museum Limited
 Serpentine Trust
 Site Gallery Ltd
 Spitalfields Music
 Sunderland Culture
 The Clay Foundation trading as British Ceramics Biennial
 The Design Museum
 The Tank Museum
 The Tetley
 University of Manchester (the Whitworth)

Appendix 2: MGETR Phase 2 Webinar Programme — Participating Organisations

Organisations

Absolutely Cultured
 Activ
 Arnolfini Gallery
 Art Culture Tourism
 Artes Mundi
 ArtesMundi Prize Limited
 Arts Council
 Arts Council England
 Arts Council of Wales
 ASPACE arts
 BALTIC Centre For Contemporary Art
 BALTIC Flour Mills V A Trust
 Beamish
 Bodmin Keep
 Bow Arts
 British Ceramics Biennale
 Cample Line
 Cardboard Citizens
 Carmarthenshire
 CCA Londonderry
 Cornwall Museums
 Crafts Council
 Craftspace Limited
 Culture Transitions
 CVAN
 Dawing Projects UK
 Design Museum
 Deveron Projects
 Durham Museum
 East Leeds Project
 Engage
 Falmouth University
 Ffotogallery
 Fruit Market Gallery
 Hampshire Cultural Trust
 HOME

Humber St Gallery
 In Between Time
 Independent
 INIVA
 KARST
 Kate Dore Creates
 Lakeland Arts
 Lincs Inspire
 Liverpool Biennale
 Llantarnam Grange
 Machynlleth Tabernacle Trust
 Manchester Art Gallery (Manchester City Council)
 Manchester CC
 Manchester City Council
 Mission Gallery
 Mitchell Meredith Ltd
 MK Gallery
 Modern Art Oxford
 Mostyn Gallery
 Museums Northumberland
 National Galleries of Scotland
 National Maritime Museum
 Newlyn Art Gallery Limited
 NGS
 NN Contemporary Art
 Own
 peacock and the worm
 Peacock Visual Arts Limited
 Petersfield Museum
 Polka Children's Theatre LTD
 Port Sunlight
 Practically Creative
 R E Bucheli
 Royal Scottish Academy
 Sandra Frampton
 Serpentine Gallery
 Site Gallery
 Somerset Art Works

Somerset Film and Video
 Spike Island
 Spitalfields Music
 Sunderland Culture
 Take A Part CIO
 Tank Museum
 The Adelph
 The Artangel Trust
 The Showroom
 The Tetley
 THE UNIVERSITY OF MANCHESTER
 The University of Manchester
 The Whitaker
 Towner
 Turner Contemporary
 University of Dundee / Drawing Projects UK
 University of Nottingham Museum
 Victoria Art Gallery
 Wellbeing Scotland
 Whitworth Art Gallery (University of Manchester)
 Yonder Gallery
 YVAN

Accountants Organisations

BBS NI Ltd
 Carr, Jenkins & Hood
 Community Accounting Plus
 Cramp and Harding Ltd t/as TaxAssist Accountants
 FX Career Swap
 Harbinson Mulholland
 McFadden Associates Ltd
 MHA Tait Walker
 RPG Crouch Chapman LLP
 RSM



SNAPSHOT – 09

MODERN ART OXFORD



MODERNARTOXFORD.ORG.UK

Modern Art Oxford, 2017. Image © Modern Art Oxford. Photo: Edmund Blok

Modern Art Oxford is one of the UK's leading contemporary art spaces.

Founded in 1965, the gallery is shaped by a longstanding commitment to education and inclusion. Free and open to all, it celebrates the relevance of art and creativity to society today and the role of culture as a progressive agent of social change. With its acclaimed exhibitions, artist commissions, events and participatory activities it encourages public engagement with creativity and the arts and promotes the importance of contemporary visual culture in today's society.

WHAT HAS BEEN YOUR EXPERIENCE OF THE MGETR SCHEME?

The experience has been entirely positive. It is quite a complicated process at first, and involves accountancy knowledge, but we are lucky in that we have the capacity and financial expertise in house.

The scheme is invaluable in providing an additional source of unrestricted funding which we reinvest back into our public-facing work, increasing the benefit to the public from whom the tax is derived.

The more we spend the more we are able to claim. It incentivises growth and supports organisational resilience by providing a contingency in times of great organisational stress and uncertainty. The importance of the relief has of course been amplified by the impact of the pandemic on the sector.

G E T Involved **G E T** Organised **G E T** Funded

WHAT WERE THE MAIN CHALLENGES?

We are not eligible for corporation tax so were in many ways starting afresh with the process. Initially the task was to establish a formula for eligible costs that could be claimed, for example salary apportionment and exhibition-related expenditure, and this took a bit of time.

All of the exhibition team will be included as an eligible cost, then there will be around a quarter of the Director's time and an apportionment of exhibition-facing staffing costs and so on. Once we established the principles of what we could claim, we quickly created a formula which was approved by our accountants and auditors, and which we applied for the purposes of making the claim.

We claimed £61K in 2017/18 and £70K in 2018/19 and are looking to claim £69K for 2019/20, so it has definitely been worth investing the time in making the submission.

WHAT HAS THE IMPACT OF MGETR BEEN FOR YOU?

We use the returned unrestricted funds in a variety of different ways, all against our mission, none of it on overheads. For example, towards exhibition costs, public events, catalogues or creative learning work, all of which enables us to engage wider audiences and do so more deeply.

It also supports our digital programme — this year we allocated part of these funds against a new website design that will enable us to have a new e-commerce and ticketing platform, as well as greater capacity for digital commissioning. It is part of a culture of diversification of income which is so valuable for us.

We've spent a lot of time building our philanthropic base in recent years and another benefit from the tax relief is that it answers our donors' expectations that we are doing everything we can to raise funds in the context of their supporting us. It supports other stakeholder conversations as well, which is really important.

What has been especially valuable about the tax relief is that it forms part of a revenue mix that has enabled us to strengthen our Covid-resilience looking ahead to the next 24 months.

We have been able to use some of the funds to engage a consultant to help us develop our e-commerce, to improve the environmental controls and the ventilation of the public spaces, to redesign and refurbish our toilets bearing Covid in mind, and to upgrade our digital and wireless capacity to enable live broadcasting from the building should we close again.

G E T Involved **G E T** Organised **G E T** Funded

WHAT DIFFERENCE WOULD IT MAKE TO YOU IF DIGITAL COMMISSIONING WAS ELIGIBLE IN THE TAX RELIEF?

It would mean more eligible expenditure that would increase our claim. It's a big investment area for us going forward. The inclusion of digital programming expenditure would enable us to support more artists and it would extend the scope of our audience-reach nationally and internationally. It would enable us to be more intelligent in evaluation and data capture as well, strengthening our ability to make the case to funders about impact and specifically engage more with individual donors, trusts, and foundations about the impact of our digital agenda.

Undoubtedly this physical/digital blended offer will continue in the future and this investment from the tax relief helps us to be more resilient. In the current climate we have to be ready for the possibility of building closure, public concern in visiting buildings, and the reintroduction of public health measures in the future. Our digital programming helps us to continue our mission working with artists and audiences independent of the building being open or closed in the future.

WHAT WE WOULD TELL OTHER VISUAL ARTS ORGANISATIONS ABOUT MGETR NOW?

It's incredibly valuable in the context of great challenges for organisations in raising funds, having contingencies, managing risks.

It is worthwhile peers coming together to look at how they can access the accountancy support they need, or perhaps to work as a network to support each other to make their claims.

Tax relief is undoubtedly beneficial to strengthen the resilience of the sector in the years ahead, especially given the challenges of the post-covid recovery and it would be a great loss should it be withdrawn.

It would be helpful if local networks of organisations collectively commissioned an accountancy company to lead on claim submissions and worked together to lobby Arts Council England to provide grants to support organisations in those areas that are identified as obstacles to claiming.



YVANetwork

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The Contemporary Visual Arts Network represents and supports a diverse and vibrant visual arts ecology, embracing a broad range of artistic and curatorial practice across the nine English regions.



To be a voice and advocate for the visual arts sector in Yorkshire & Humber, delivering a programme that effects change in the profile, reputation and sustainability of the visual arts and artists.

yvan.org.uk/mgetr