

**Museum  
and Galleries  
Exhibitions  
Tax Relief**

**Executive Summary**

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**

# Introduction

This 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 Museums and Galleries Exhibition Tax Relief (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.

It demonstrates where HM Government's investment through the tax credit scheme is a positive stimulus in unlocking creative risk-taking, research and development 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<sup>‡</sup>, 190 claims supported 1,555 exhibitions, receiving £14 million from HMRC.

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

CVAN and a UK wide Arts Alliance recommend that MGETR continues beyond the sunset clause review deadline of March 2022. This report proposes that the Government reform the Relief to include critical areas deemed essential for the development of contemporary exhibition-making and world-class content, primarily the inclusion of digital exhibition as eligible expenditure.

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>

# 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)<sup>1</sup> 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 MGETR<sup>2</sup>. 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](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



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# 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 and 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.

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Click to view  
all 15 MGETR  
case studies

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?

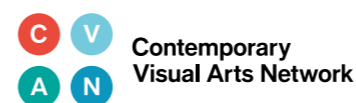
We were first made aware of it through our Arts Council Relationship Manager at a Board meeting in late 2019. We hadn't seen any government guidance about it. Suddenly with the Sunset Clause getting closer, it was everywhere! We looked into the HMRC guidelines and spoke to Southwark Park Galleries (London)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

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



SNAPSHOT – 08

## DUNDEE CONTEMPORARY ARTS



DCA.ORG.UK

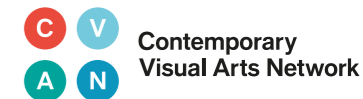
Dundee Contemporary Arts (DCA) is an internationally renowned centre for contemporary art that enables audiences, artists and participants to see, experience and create through four programme areas: exhibitions, cinema, print and learning. With two large-scale gallery spaces, two thriving cinema screens, 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.



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: Afterness 2021. Photo: Jonny Pitts

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



SNAPSHOT – 11

## CHISENHALE GALLERY



- 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



YVANetwork

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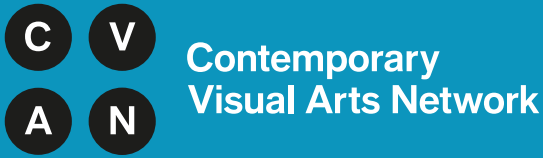
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The Contemporary Visual Arts Network represents and supports a diverse and vibrant visual arts ecology, embracing a broad range of artistic and curatorial practice across the nine English regions.



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](http://yvan.org.uk/mgetr)