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Museum
and Galleries
Exhibitions
Tax Relief

Executive Summary

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

SUE BALL, EXEC CHAIR/DIRECTOR YORKSHIRE VISUAL ARTS NETWORK
CVAN MGETR LEAD 15.12.2021

	MGETR	
	Non-touring	touring
From 27 October 2021	45%	50%
1 April 2023 - 31 March 2024	30%	35%
1 April 2024 onward	Expired	Expired

Draft Finance Bill (4.11.21), please note that the MGETR claims enhancement, which starts 27.10.21, is for new exhibitions only which begin after that date and cannot be claimed for exhibitions already in production.

EXPENDITURE RELATED TO DORMANT AND ABANDONED EXHIBITIONS CAN BE CLAIMED

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†, 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.

- 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

Data Analysis: MGETR Uptake Patterns and Trends

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 CITR.

Creative Industry Tax Relief Claim Value by Financial Year

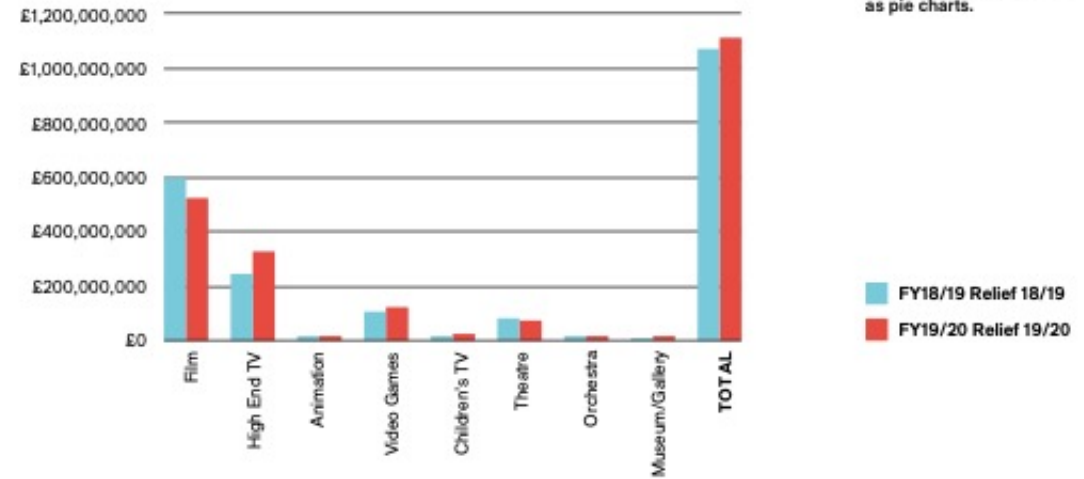
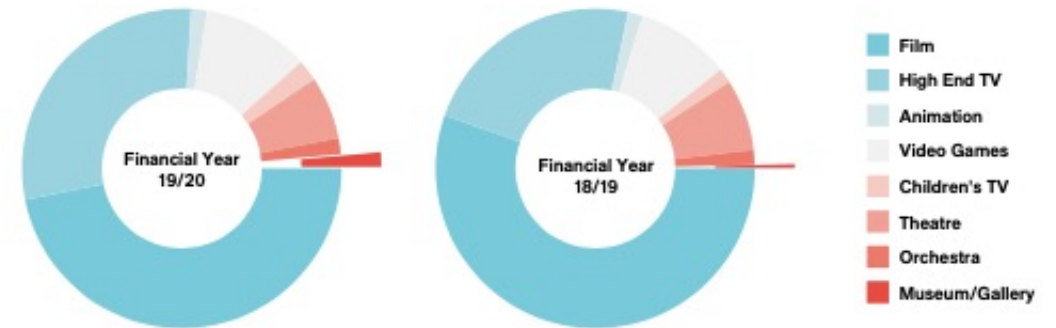


Figure 1.
Creative Industries' claims
by financial year 2018/19 and
2019/20; repeated below
as pie charts.

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.




OPTIMISING YOUR CLAIM FOR MUSEUMS & GALLERIES EXHIBITION TAX RELIEF

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



NEWCOMERS GUIDE TO MUSEUMS & GALLERIES EXHIBITION TAX RELIEF (MGETR)

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



CPD FOR THE FINANCE AND ACCOUNTANCY SECTOR ON TAX RELIEF FOR MUSEUMS & GALLERIES

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



MUSEUM & GALLERIES EXHIBITION TAX RELIEF OVERVIEW

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



SNAPSHOT – 14

IN BETWEEN TIME



INBETWEENTIME.CO.UK

In Between Time is an arts charity committed to nurturing the most internationally significant and urgent live art ecosystem for artists, audiences and participants in the UK.

Based in Bristol, the first In Between Time festival was delivered in 2001 as part of Arnolfini's live programme. Over two decades In Between Time has grown to become a critically acclaimed and globally respected producer of live and interdisciplinary contemporary art producing extraordinary artistic experiences culminating in a biennial festival.

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 the really clear TTR guide from HMRC's website to create a system for itemising costs. Our accountant had not previously submitted a TTR claim, but did their research and together we prepared a template for formulating calculations and have used that template ever since.

Using the Arts Council guide on 'Managing Your Funds' we also changed our practice internally establishing a designated 'Fund for Programming Costs' from the unrestricted funds claimed back from the Tax Relief.

WHAT HAS THE IMPACT OF TAX RELIEFS BEEN FOR YOUR ORGANISATION?

We have been impacted very positively from the reliefs. The ability to claim on our touring costs has paid the salary of a touring producer to run that strand of the programme. This investment has seen a return of touring income back into our organisation from the toured venues at 25% of turnover.

We use our TTR designated funds each year to provide match funding for our programme budgets and fundraising. At a time when funding for the arts continues to face major cuts, we would struggle to survive without it.

Our festivals can employ up to 40 artists, 50 producers and technicians and provide on the job training and experience opportunities for over 50 volunteers. TTR allows us to initiate investment in the artists we collaborate with, to produce engaging projects that continue to place us as a leader in the presentation of accessible live art across the UK and the world.

WHAT DIFFERENCE WOULD IT MAKE TO YOU IF TAX RELIEF WAS ALTERED TO INCLUDE DIGITAL COMMISSIONING?

We have always had a digital offer, but to date mostly based around documentation. As an international festival, we are working with a digital producer to develop questions around how to use digital to retain a sense of a "gathering" for international audiences.

We intend to upscale our digital offer alongside our live programme accessible with a paid pass. We will continue to programme this digital space with new content over time.

Artists for the next festival have been asked to provide live and digital content for our programme, designed in the event of another lockdown to ensure that no artist is left out of the programme.

Including digital commissioning in the tax relief would really help us as we move forward. Digital will always be an integral part of every festival and sits alongside all of our work. Currently the tax reliefs are quite focused on specific artforms and are starting to feel slightly outdated.

They don't fit the model of organisations working with dramatic performance, live art and experimenting with new ways of doing things. Also public engagement is key with many organisations now, reducing barriers and improving access to arts, which leads to forms of non-traditional participation.

Not all productions are "dramatic" — they can be interventions, provocations, workshops, spoken word events, etc. The arts would greatly benefit from support in all of these areas.

WHAT WOULD YOU TELL OTHER ARTS ORGANISATIONS ABOUT TAX RELIEFS?

Completing a claim takes less time and effort than most funding applications and with the right accountant is not that expensive. (It costs us £250 + VAT on top of our independent examination costs — a very small amount compared to the unrestricted income provided).

You don't have to be a tax whiz, once a template is made you can use it year after year.

Go for it!

Image: The Record, 600 HIGHWAYMEN, BT17
Photo: Manuel@DARC.media

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		●	●	●		●	●	●

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

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

○○ **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)

○○ **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

○○ **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

Sector Uptake

FINDINGS

- Benefit cannot be underestimated
- Small but increasing no. of claims
- MGETR no. of claims fell by 12.5% in 20/22 (overall CITR rose by 17%)
- Only 23% of eligible orgs claiming (19/20)
- Smaller but more claims (49% are under £25k 20/21)
- Larger institution receive the largest % of MGETR

RECOMMENDATIONS

RETAIN MGETR AFTER 2022

USE SECTOR EVIDENCE

**ENSURE ALIGNMENT WITH
HM GOV AGENDAS**

Accountancy Support

FINDINGS

- Relationship to accountant is critical
- Orgs develop their own internal logic to self-certify
- Some accountants learning 'on the job' and charging
- Some good accountants with CITR and MGETR competency
- A first claim takes time

RECOMMENDATIONS

FOCUS SUPPORT ON SMALL/MEDIUM ORGS INTO CLAIMING

CHECKLIST OF QUESTIONS WHEN APPOINTING

DEVELOP 'PREFERRED LIST' WITH SECTOR RECOMMENDATION

ENABLE ARTS COUNCIL ENGLAND'S ACCOUNTANCY 'HOTLINE' SUPPORT PACKAGE

The Case for Digital

FINDINGS

- Include digital exhibition production as eligible
- Sector is committed to digital production and distribution
- Blended or exclusive digital exhibition now common
- Commissioning 'born digital' works
- Wider demographic and geographic audiences
- Sector's technology infrastructure and skillset need evolving

RECOMMENDATIONS

**DIGITAL EXHIBITION PRODUCTION
AS ELIGIBLE**

**DEFINITION OF DIGITAL EXHIBITION
(NOT MARKETING OR CORPORATE)**

**MAKE CASE FOR ELIGIBILITY
SUPPORTING UK AS CREATIVE
INDUSTRY GLOBAL LEADER**

Sector Profile

FINDINGS

- Broader range of 'activity type' of eligible org – artist studios, festivals, sculpture parks, crafts/designer
- Temporary space use can be used as exhibition venue
- Continued support for smaller orgs – they tend to deliver Levelling Up agendas
- Impact on audiences required
- Misunderstanding of 'gateway' eligibility criteria preventing uptake

RECOMMENDATIONS

FIND FINANCIAL MECHANISMS TO RETAIN MGETR SECTOR SUPPORT

CONTINUE COLLABORATION WITH HMRC

CONTINUE ACTION RESEARCH/PEER-LEARNING APPROACH

IDENTIFY 'ACTIVITY TYPE' INCLUDE L.A GALLERIES; ARTIST STUDIOS AND ENCOURAGE CLAIMS

Organisational and Sector Impact

FINDINGS

- MGETR returns are unrestricted, used at 'pinch points' and built into projected cashflow
- Brings resources for R&D and innovation
- Used to expand the scope of exhibition
- Used to mitigate ineligible activity ie digital
- Use to invest in education and outreach
- Match for fundraising
- Offsets loss in philanthropic giving/earned income generation (due to covid)
- Generosity in sector, sharing knowledge
- Higher rate of return on touring – not proven
- Activity ineligibility (live art, digital etc) inhibits contemporary production
- Other CI TR are being used (Theatre + Film) to claim

RECOMMENDATIONS

COMMIT TO ANNUAL DATA GATHERING (GRANULAR)

ENSURE EVIDENCE IS SHARED WITH THE SECTOR TO ENHANCE UPTAKE AND 'INNOVATION'

ESTABLISH LONGITUDINAL STUDY WITH ACADEMIC PARTNER TO SHOW PATTERNS AND TRENDS

EXPLORE AWARENESS-RAISING OF CITR TO MITIGATE INELIGIBILITY (DIGITAL, THEATRE ETC)

FOR DISCUSSION MGETR - RETAINING MOMENTUM, INCREASING UPTAKE, SUPPORTING INNOVATION 2021-24

- **Evidence Gathering**

- **Model for investment into sector support** that explores options for direct contribution from the sector.

- develop a longitudinal programme of evidence-gathering on the impact of the tax relief in relation to its core objectives, and in addition to agreed research questions relating to social, economic or political impacts
- optimise MGETR uptake, targeting outreach to small/medium size organisations using YVAN data on organisations with high probability of eligibility
- ensure ACE funded MGETR finance ‘hotline’ has maximum use by the sector, including currently non-claiming organisations
- continue sector-support programme of webinars, case studies and development of peer-led activity particularly exploring digital, live art and other activities that fall within CI TR other than MGETR
- make the case for digital exhibition production as MGETR enhancement.

Has anyone for sharing??.....A LENDING AND ASSIGNMENT AGREEMENT to show recharging between the LA to the subsidiary company.

<https://www.yvan.org.uk/mgetr>

