**BFI Response - HMT Consultation – Museums & Galleries Tax Relief**

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**Executive Summary**

The BFI welcomes the opportunity to respond to this consultation. As the arm’s length body for the film, the BFI is responsible for the assessment of the cultural test and co-production criteria for the film, high-end television, animation television, children’s television and video games tax reliefs. As there are no cultural test requirements for the proposed Museum and Galleries tax reliefs, the BFI will not be involved in the assessment of these reliefs.

However as a charity which recognises the artistic importance and cultural value of film and the moving image and the guardian of the BFI National Film Archive, we have a strong interest in the proposed Museums and Galleries tax reliefs. We also collect posters, images, publicity material, original scripts, letters and other artefacts. We exhibit these materials from time to time and there is potentially scope for the BFI to access the proposed reliefs in the future. In addition, the BFI is currently planning its next five year strategy to run from 2017 to 2022 and we are also preparing our business case for a Film Centre on the Southbank which will include a 650 sqm temporary exhibition gallery and a series of free display in public spaces. We would be happy to contribute to any further discussions on the proposed reliefs.

As such, the primary focus of our response to this consultation is the definition of a Museum or Gallery. We believe that the BFI and other similar organisations such as the National Video Game Arcade (NVA) in Nottingham ably meet the outlined criteria but as they aren’t formally named as a museum or gallery could potentially lose out on the opportunity to claim this relief in the future. We would welcome a broader definition.

We also note the intention to model the rates and structure of the proposed relief on the existing creative sector tax reliefs and are keen to see that these are in line with those already in force.

**About the BFI**

1. The BFI is the lead organisation for film in the UK. Since 2011, it has combined a

creative, cultural and industrial role as a Government arm’s length body and

distributor of National Lottery funds. Its key priorities are to support a vibrant

UK film culture by investing in film education, audience access, filmmaking

and film heritage

2. The BFI Certification Unit is the first point of contact for the assessment of British qualifying works and promotion of the film, High-end television (HETV), Animation Television, Children’s Television and Video Games tax reliefs. As such, the BFI has direct experience and knowledge of the screen sector tax reliefs.

3. In October 2012, the BFI published *‘Film Forever, Supporting UK Film 2012-2017’,*

which set out its strategy for the next five years, following an extensive industry consultation. It described the activities underpinning the BFI’s three strategic priorities:

a. Expanding education and learning opportunities and boosting audience

choice across the UK

b. Supporting the future success of British film

c. Unlocking film heritage for everyone in the UK to enjoy.

d. To that end, the BFI helps ensure that public policy supports film, television

and the moving image and, in particular, British Film.

4. Due to be published in November, in August 2016, the BFI launched a public consultation for BFI2022 to help shape its next five-year strategy for supporting and promoting film, TV and the moving image in the UK.

5. Founded in 1933, the BFI is a registered charity governed by Royal Charter.

**Responses to consultation questions**

Question 1: Do you agree with the proposed criteria for assessing the options to provide support to the museum and gallery sector? Please provide any comments as appropriate.

* Yes we agree with the proposed criteria for assessing the options to provide support.

Question 2: Would these definitions allow appropriate institutions to be in a position to claim the relief?

* We are pleased to note the Government’s acknowledgement that a wide range of different institutions make up this diverse sector, and wants to structure a relief to target the widest possible range of appropriate museums and galleries.
* However, it would be helpful if examples of organisations that are not formally known as ‘museums’ or ‘galleries’ but do indeed fit this criteria and play an important role in society by maintaining important objects and educating people about different cultures or local history are included in this definition.
* The BFI is an example of such an institution. It is a registered charity since 1933 and maintains the BFI National Archive which holds a magnificent collection of film and television, from the birth of cinema to today. Concentrating on British titles, we carefully select material for our collections, preserving, restoring and interpreting it to ensure our film heritage is widely accessible in cinemas and in the home .We also collect posters, images, publicity material, original scripts, letters and other artefacts. As such, the BFI regularly presents and exhibits archive materials in house and externally and as such could potentially claim the museum and exhibition tax relief in the future. Our proposed Film Centre on the Southbank will be completed in 2020 and the programme will include ticketed temporary exhibitions which will tour to partner venues internationally.
* The BFI clearly meets HMT’s proposed definitions as outlined in the consultation paper despite not being called a museum or gallery *“a building or place devoted to the conservation, exhibition and educational interpretation of collections having scientific, historical or artistic interest.” or “a building or place that is used for the exhibition and educational interpretation of a collection of objects having scientific, historical or artistic interest.”*
* We would therefore welcome a broader definition that does not exclude organisations that recognise the importance and cultural value of creative works in the UK.

Question 3: Would adopting the definitions outlined above be an effective way of meeting the government’s objectives as set out in chapter 3?

* As noted above if a broader definition of a qualifying institution is used.

Question 4: Is there an alternative definition of a qualifying institution that would more accurately permit the most appropriate range of museums and galleries to qualify for the relief? If so, please provide details.

* We would suggest a *Museum, Gallery, Archive, Institution or Organisation committed to the conservation, exhibition and educational interpretation of collections having scientific, historical or artistic interest.” or “a building or place that is used for the exhibition and educational interpretation of a collection of objects having scientific, historical or artistic interest.”*

Question 5: Is there a more accurate definition of an exhibition that would allow qualifying institutions to claim relief for the most appropriate range of displays?

* We do not have an alternative suggestion to offer here.

Question 6: Does a period of up to one year accurately reflect the length of time a temporary exhibition would remain open to the public?

* We feel that the one year could be limiting. It is not clear whether the one year period includes research, development and preparation of the exhibition as well as the time it may take to close down the exhibition after it has ended.
* Additionally depending on the success and popularity of the project, time periods may be extended or toured.
* We therefore recommend that this is extended to at least 3 years.

Question 7: In addition to those mentioned in box 4.B, are there any types or characteristics of an exhibition that you think should be excluded from the relief?

* We agree with the exclusions

Question 8: Is there a more accurate definition of a touring exhibition that would allow institutions to tour their best exhibitions to other museums and galleries?

* As mentioned in a response to question 6, there is a concern that a touring exhibition has to be indicated in the planning phase. A temporary exhibition that is highly successful may not have been considered as a touring project at the planning stage but the popularity of the project, once opened, may lend itself to be toured.

Question 9: How soon in advance is it decided that an exhibition will be toured?

* As per our response to question 8, the decision to tour a project or exhibition can be ambiguous. As such there needs to be some flexibility to this. By example, a play that has a small run in a local theatre may be so successful that it transfers to the West End or conversely a West End production that is so successful that it then tours regional theatres across the UK.

Question 10: What kind of model is most likely to be employed for touring, i.e. will it be led by one organisation, split between two institutions etc.?

* A temporary or a touring exhibition could easily be one, two or several organisations partnering together to achieve maximum outreach and access.

Question 11: How are the costs split up between the touring institution and the institution that is hosting the tour and how do the two interact more widely?

* This is very much case by case depending on the structure and contribution of the partnering organisations. In terms of paying out tax relief, we would recommend the model used in the film tax relief where a special purpose vehicle (SPV) is set up to be the company responsible.

Question 12: If an exhibition is toured internationally, when and where are the costs normally paid?

* Again, this is a case by case scenario and may vary from project to project.

Question 13: Which costs are integral to the exhibition process itself and should therefore be eligible for relief? Please explain your choices.

* We agree with the core costs as noted in the document. We would suggest that curator and research costsmight include development as well e.g. curator, research and development costs as there can be a considerable amount of work that goes into developing these projects.

Question 14: Does the requirement to be incorporated and operate separate trades within the company cause significant administrative burdens for museums and galleries? Please explain in what way.

* We do not think this should be an issue.

Question 15: Would the requirement to be incorporated affect current funding or subsidies/exemptions that are received by some museums? If so, please explain how?

* We do not think so

Question 16: Are there any other specific design points which need to be addressed?

* As noted above the definition of a Museum or Gallery
* Clarification of core expenditure
* We note that rates of relief will be announced once the consultation has closed. We would expect the rates of this new relief to be on a par with the existing creative sector tax reliefs

Question 17: Can you give examples of other sources of funding that you receive for exhibitions?

* We do not receive other sources of funding currently but post 2020 when the Film Centre is completed we will seek funding from a range of sources including trusts and foundations and commercial sponsors.

Question 18: Would the strategy outlined above be an appropriate way of preventing abuse of the new tax relief?

* Yes based on our experience of the other creative sector tax reliefs

Question 19: Are there specific areas in addition to those mentioned above that create the opportunity for abuse?

* We do not know at this stage.