

# Museums and galleries urged to sign up for VAT refund to support free entry for the public

- Minister encourages more museums and galleries to join the scheme
- Those added to the scheme in 2020 are set to benefit from more than £70 million

Museums and galleries are being urged to apply for VAT refunds to support opening free of charge as part of plans to boost visitor numbers and give more people access to arts and culture.

Any museum and gallery open to the public free of charge for 30 hours a week can apply. It will help organisations boost their finances and open up their collections more regularly.

The VAT Refund Scheme, which has been running since 2001, was last open to new applicants in 2018/19 and is estimated to have refunded up to around £1 billion to museums and galleries so far.

Ahead of a speech at the Edinburgh International Culture Summit, Arts Minister Lord Parkinson of Whitley Bay today announced that the scheme will reopen for new applications in the autumn.

He is encouraging museums and galleries which are considering putting on exhibitions for free, as well as institutions already eligible but not currently taking advantage of the scheme, to apply.

Arts Minister Lord Parkinson of Whitley Bay said:

The UK's brilliant museums and galleries can be proud of the huge range of free exhibitions they put on and the role they play in increasing access to arts and culture.

We want to see even more museums offering free entry, and to support organisations which are providing great opportunities for the public to enjoy.

I encourage cultural institutions across the UK to apply for the VAT refund scheme so they can help make sure people from all backgrounds get to experience great arts and culture for free.

Institutions taking part in the scheme are entitled to a refund on VAT incurred on goods and services which are purchased in order to provide free admission. A total of 159 sites across the UK currently benefit from the scheme, including the People's History Museum in Manchester, the Peter Scott Gallery in Lancaster, the Burns House Museum in Kilmarnock, Falkirk's

Callendar House, the National Gallery of Scotland in Edinburgh, the Walker Art Gallery in Liverpool, and National Museum Cardiff.

The Athelstan Museum in Malmesbury used the scheme to improve its public exhibition spaces for visitors. When the museum acquired a J.M.W. Turner watercolour of Malmesbury, it used the scheme to help enhance its mezzanine gallery area to display the artwork.

It is estimated that museums and galleries which were added to the scheme in 2020 will benefit from more than £70 million in VAT refunds in the six years after joining. New museums and galleries wishing to benefit from the scheme can apply in the autumn.

Commissioner for Cultural Recovery and Renewal Lord Mendoza said:

In my review of museums I identified this specially designed scheme as one of the most important government interventions to help museums right across the United Kingdom.

I hope that we continue to see growth in the number of applications to ensure that as many people as possible can visit our outstanding museums for free.

Free entry for museums is a distinctive cultural intervention and I'm thrilled that the government hopes to help even more places this year.

Helen Smout, CEO, Culture Perth and Kinross Limited, said:

The VAT Refund Scheme for museums and galleries alongside the Museums and Galleries Tax Relief has been of enormous benefit to our organisation and critically has helped us sustain a programme of free-to-access exhibitions.

This work has helped us re-engage with audiences after the disruptions of the pandemic and to date in 2022 we are outperforming our pre-pandemic footfall bringing additional benefits and income to the organisation.

Without the support this scheme provides for museums our programmes would not be as rich, ambitious, or engaging and our future would be much bleaker.

Sharon Nolan, Chair of Trustees, Athelstan Museum, Malmesbury, said:

Athelstan Museum Malmesbury has benefited greatly from the VAT Refund Scheme for museums and galleries. When we first joined the scheme we were in the process of acquiring an old Moravian Church (now the Julia and Hans Rausing Building) for renovation, to create

a new museum store and event/ workshop/ talks space to attract more diverse audiences. The scheme enabled us to save the VAT on our building work and supplies.

Similarly, when we acquired a Turner watercolour of Malmesbury and wanted to enhance our mezzanine space to display it, we again benefited from the scheme. It helps with the day-to-day running of the museum; we receive no funding other than donations, Gift Aid, and income from the gift shop.

We are totally volunteer-run. The scheme is invaluable to small, volunteer-run museums like ourselves. It enables us to retain our free-entry status, and to be ambitious and take on new projects. Our visitors really appreciate the museum and numbers are now increasing post-Covid.

The Government has also extended the sunset clause on the Museums and Galleries Exhibitions Tax Relief scheme, which aims to encourage cultural venues to develop new exhibitions through financial incentives. The scheme has been given a temporary uplift, meaning there will be 45 per cent tax relief for permanent and temporary exhibitions and 50 per cent tax relief on touring exhibitions respectively up to a maximum of £100,000. From 1 April 2023, these rates will be reduced to 30 per cent and 35 per cent respectively, before returning to their usual rates of 20 per cent and 25 per cent on 1 April 2024.

ENDS

- The full criteria for a museum and gallery applying are:
  - being open to the general public for at least 30 hours per week, without exception
  - offering free entry without prior appointment
  - holding collections in a purpose-built building
  - displaying details of free entry and opening hours on the museum website
- More information, and a full list of current organisations on the scheme, can be found at:  
<https://www.gov.uk/guidance/vat-refund-scheme-for-museums-and-galleries-notice-998>
- Between April 2001 and June 2022, the total amount of VAT refunds issued to museums and galleries, under Section 33A of the VAT Act 1994 is estimated to be between £900 million and £1,000 million. This is based on HMRC VAT returns and assessments of the proportion of non-business activities.