



**Association of
Independent
Museums**

Helping Heritage
Organisations Prosper

Seeking certainty: A snap museums survey

September 2022



Background

In September 2022, after two years of pandemic measures, and during a dual energy crisis with wider cost-of-living pressures in force across the national economy, AIM went out to members with a snap survey on recent performance, current challenges, and the need for support.

Of almost 350 respondents, around 320 were AIM members, or about a third of our institutional membership. This significantly outstripped our January survey on the impact of Omicron, which had about 200 respondents, demonstrating the urgency to be heard.

Reflecting AIM's membership, just under two-thirds of respondents were in the AIM 'small museum' category (fewer than 20,000 visitors annually). Another fifth medium (20,000-50,000), and another fifth large/largest (50,000-100,000 and above.) 85% were in England, 10% in Scotland, and 5% in Wales. Three-quarters were independent museums, with small numbers of local authority, university, and military museums responding.

Key findings

- 14 respondents reported being at risk of insolvency, two imminently (insolvent by Christmas).
- 70% of organisations reported still having three or more months of unrestricted reserves.
- About half of museums found visitors and income over summer were either similar to projections or up to 29% below. Just under a third had visitor figures and income significantly below projections.
- Half of responding museums believed they can absorb cost of living pressures in the short- but not long-term.
- Energy costs were the main pressure (70% of organisations) but around a third to half of organisations also reported pressures on staff costs, core activities, and capital project costs.
- On average, organisations reported that energy bills were just over 20% of income, with rises of about 45% expected in the next 6-12 months. However, this average masks a massive range, with 34 organisations reporting they expect rises of over 90%. There are also significant differences in cash amounts, which range from the hundreds to high six figures. The average sustainable proportion of energy bills against income is expected to be around 38%.
- About half of organisations were still in fixed contracts, with around a third of these ending in the next six months.
- 90% of organisations were planning actions to tackle cost pressures, with the most common steps being trying to increase income, using reserves, reducing energy consumption, and reducing costs such as L&D.
- 40% of organisations have or plan to scale down activity including reducing public offer, reducing events, or delaying or cancelling gallery refreshes and capital projects.
- Just over a third of organisations did not think increasing income would be possible given economy-wide pressures.
- About one in six is planning restructure or redundancies.
- About half of organisations are expecting visitors and income to be below projections to the end of March 2023 (however, a sizeable part of the sample did report regular closure over the winter months).
- The kind of support most wanted is funding support with energy bills specifically – it should be noted that many responses were received before full details were announced of the recent package.
- Organisations are also seeking core funding, project funding, and maintenance funding. About 20% of organisations would like support for staff wellbeing and for reducing energy consumption.

A challenging summer



Risks of insolvency

An important finding is that 85% of organisations do not consider themselves at risk of insolvency, with only two reporting being in imminent risk (insolvent before Christmas). 70% of organisations reported still having unrestricted reserves of three months or more available. This does not ease the distress of organisations which are in or near crisis, but it does suggest that the sector can take some time to consider the way forward.

AIM is following up with some organisations to see if we can offer support and as ever, we encourage organisations with concerns about imminent insolvency to contact AIM, lisa.ollerhead@aim-museums.co.uk or other bodies such as Museum Development services and the Arts Council in England, Museums Galleries Scotland, Welsh Federation, and Northern Ireland Government.

Unique circumstances, differing needs

One of the biggest challenges of this crisis is that unlike covid, where the problem was clear, urgent, and consistent (closed museums meaning no income), with the current cost-of-living pressures and energy crisis, each organisation has unique circumstances. Our data show that for some museums the main issue is around reduced visitor numbers and reduced income (even against already-modest post-covid projections), while for others energy is the looming or indeed already-present threat. This means that the kind and extent of support required differs from organisation to organisation.

A challenging summer

Just under a third of museums had a significantly more difficult summer than they had hoped, with visitor figures and income more than 30% below projections – projections which in many cases were already below pre-covid levels, with one commenter noting “things have gone quite differently to what we thought were conservative projections”. For about half of museums the summer was about as expected, or just below.

These proportions were consistent across both rural and more urban museums (indicated by whether visitors are most likely to arrive by car, on foot, or by public transport), suggesting that rising petrol prices may not be preventing people from visiting museums. Most museums are expecting visitor numbers and income to remain below projections to the end of March 2023, with one commenter noting the extreme difficulty of predicting visitor behaviour post-pandemic.

In this environment with dampened demand, energy costs were – as expected – the main pressure, with 70% of respondents reporting this. Around a third to a half of organisations also reported pressures on staff costs, core activities, and capital project costs. Some museums reported making cost-of-living payments to staff, with one considering a 10% pay rise across the board pointing out that “market forces (i.e., how extremely difficult it has become to recruit) means this isn't a choice - it's essential to retain the staff we need to run the museum”.

In comments, several organisations mentioned being largely or wholly volunteer-led and there is significant pressure here, with existing volunteers feeling strained and new volunteers difficult to recruit. Other insights from comments were around project funding, particularly for capital works, where costs have risen – sometimes sharply – but the funding has not.

The impact of energy costs



Tackling cost pressures

Half of museums felt they could absorb cost pressures in the short-term, but not the longer term. However, for medium museums (20,000-50,000 visitors annually) this was only true of a third.

The vast majority (90%) of respondents are or will be taking steps to tackle cost pressures, most commonly trying to increase income (although just over a third of organisations did not think this would be possible given pressures on the customer groups like individuals and businesses that would usually drive income), using reserves, reducing energy consumption, and reducing costs such as L&D.

About 20% of museums are considering reducing opening hours. 40% of organisations have or plan to scale down activity including reducing public offer, reducing events, or delaying or cancelling gallery refreshes and capital projects. About one in six museums is planning restructure or redundancies, which are most likely to affect senior management.

One organisation mentioned reducing marketing spend, although this then has a knock-on effect on visitors. However, others are increasing opening hours, adding events, aiming to get more school visits, and increasing fundraising.

The impact of energy costs

The survey included a special section on energy bills, for those indicating it as a major issue for their museum. Around 150 respondents completed this and it should be noted that most responses were received before any detail had emerged about the announcement of capped prices for businesses and charities.

About half of the organisations were in fixed contracts, with around a third reporting their deal would end in the next six months. Current energy bills average 20% of total income and organisations felt on average the proportion at which the museum would become unsustainable is 38%.

However, these averages mask major swings between individual respondents, as well as major differences in cash amounts. Local authority, university, and military museums reported lower expected percentage rises in energy bills in the next 6-12 months, compared to independent museums and former local authority trusts; medium-sized museums also anticipated higher increases than smaller or larger museums.

Just over 40% of museums are working on reducing energy consumption, with 20% seeking support to do this. Approaches identified by respondents include accessing grants for energy efficient heating and lighting, reducing interior temperatures, changing damp controls, less use of high-energy equipment, warm clothes and targeted heating for front of house colleagues, solar panels, installing secondary glazing and keeping doors closed, and greater working from home and reduction of the time staff are onsite requiring heating.

However, it was noted that some of these measures affect the visitor experience, some shift costs to staff or contractors, and that others may put collections and historic buildings at higher risk.

Support needs

A mix of support needs were identified. 45% of museums want support with paying energy bills, while around 40% want other core funding into 2023/24 and a third want activities project funding, maintenance funding, and other capital projects funding. Around 20% want support for staff wellbeing and a similar proportion support for reducing energy consumption. Cash support is the biggest need, although a sizeable minority, about a third, would appreciate covid-esque measures like business rates relief and VAT cuts.

Unanticipated trends

We can see some trends across the data which were not necessarily what we expected.

- While some museums are signalling distress now, most museums can carry on in the short-term, to some extent driven by the numbers of museums still in fixed term energy contracts. A major challenge of the current situation is not knowing whether the energy crisis will affect only this winter, in which case the sector as a whole is likely to survive reasonably well, or whether it will carry on, in which case more museums will start having significant difficulties into next summer and beyond.
- Medium-sized museums appear to have worse outlooks than small museums or large/largest – potentially because they have sizeable costs compared to small museums, and fewer options for activities that will reduce costs compared to bigger museums.
- While some museums are bullish about increasing income to help deal with the challenges, the effect of the wider cost-of-living pressures on individuals mean this will not work for all museums – particularly those in more deprived areas where museums might be most relied on as warm community spaces. Most museums are expecting lower demand than they had hoped over the coming months, setting back covid recovery.

Staffing

As ever, AIM is also aware that there is a human toll to the difficulties faced by organisations. Staff, trustees, and volunteers are tired, having already ridden out one generational crisis, and may be facing consequences in their personal lives from the cost-of-living pressures. There is little ‘left in the tank’ to shepherd museums through another impossible winter.

The key need in the sector is for certainty, and to know that help will be forthcoming when it is required, to help people look ahead: as one respondent said, “while there needs to be support for organisations struggling with the crisis, we also need to be able to look at how we can push forward after the last few years - to refresh and to develop”.

Next Steps



AIM support

In response to these findings AIM will be reviewing its own support in the coming days and weeks. We will also be in discussions with governments and funders, seeking:

- Emergency support, potentially needed in relatively small amounts, covering energy bills and other cost pressures where museums are otherwise sustainable but cannot cover increased costs
- Guidance and funding to reduce energy consumption in the short-term, including helping organisations to balance financial risk with risk to collections and buildings, as well as funding for longer-term capital improvements aimed at better energy efficiency
- For funders to review existing grants and consider increasing funds where necessary to cover increased costs
- A strategic plan for supporting the sector if the energy crisis persists beyond this winter

We will close with a simple message from one respondent which sums up the resilient spirit of our independent museums sector: “We’re still here, which is an achievement.”

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