LONDONASSEMBLY

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Bassam Mahfouz AM
Chair of the Economy, Culture and Skills Committee

Rt Hon Lisa Nandy MP
Secretary of State for Digital, Culture, Media and Sport
Department for Digital, Culture, Media and Sport
(Sent by email)

28 November 2026

Dear Secretary of State,

The Economy, Culture and Skills Committee recently held a meeting to discuss the funding crisis in the museums sector, exploring options to improve its financial sustainability. I would like to set out our conclusions in this letter.

Our guests for this discussion were Rebecca Pullen, Chief of Staff at Imperial War Museums; Rhiannon Goddard MA(RCA), AMA, Chair of Trustees at the Association of Independent Museums; Arran Pedder, Head of Development at Pitzhanger Manor & Gallery; Jenny Waldman, Director of Art Fund; and Sir Tristram Hunt, Director of the Victoria & Albert Museum (V&A).

The funding challenge

Museums and galleries form a significant part of the UK's cultural infrastructure, with more than 1,700 museums accredited through Arts Council England's Accreditation Scheme, including 143 accredited or provisionally accredited museums in London alone as of May 2026.[1] Museums and galleries make a substantial contribution to the UK economy, supporting tourism, employment and local spending. In 2025, research on the independent museum sector estimated an overall direct, economic contribution of £838.7 million and 17,900 jobs, while a 2026 National Audit Office report noted that Department for

[1] London Assembly Research Unit, Museums in London (July 2026), p. 5.

Digital, Culture, Media and Sport (DCMS)-sponsored museums and galleries are nationally and internationally significant institutions that contribute to the UK's influence overseas through international loans, touring exhibitions and research collaborations.[2]

The independent review you commissioned on Arts Council England, conducted by Baroness Margaret Hodge, noted that:

> *"Most [artists and organisations across the sector] are experiencing severe financial challenges; some are in crisis. The cuts in public funding over the last decade and more, represent an existential threat to the health and vibrancy of the arts and culture sectors."*[3]

Evidence presented to the Committee reflected the concerns set out in the Hodge Review about the financial sustainability of the cultural sector. 31 per cent of museums have experienced reductions in local authority funding or have seen this funding withdrawn altogether, demonstrating the scale of the challenges facing museums and galleries. [4] These funding challenges are particularly relevant to London, where sites accounted for 90 per cent of visits to DCMS-sponsored museums and galleries in 2024/25. This highlights the sector's importance to both the capital's cultural life and its visitor economy.[5]

The Committee heard concerns that existing funding models are becoming increasingly unsustainable. The Association of Independent Museums in fact found that:

> *"Traditional operating models for museums are increasingly difficult to sustain and are no longer fit for purpose. Museums are encouraged to think in terms of future readiness and move to a place of preparedness as we navigate an increasingly volatile and uncertain world."*[6]

Despite significant government support during the pandemic, including the Culture Recovery Fund, visitor numbers have yet to return to pre-pandemic levels, with DCMS-sponsored museums and galleries recording 42.1 million visits in 2024/25 compared with 49.7 million in 2018/19.[7] Rhiannon Goddard (Chair of Trustees, Association of Independent Museums) added that this is compounded by the cost-of-living crisis meaning people continue to spend less even when they do visit.[8]

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[2] Association of Independent Museums, Economic Impact Toolkit 2024 (Refreshed 2025), 2025. ; National Audit Office, The Financial Resilience of DCMS-Sponsored Museums and Galleries (27 February 2026).

[3] Department for Culture, Media and Sport, March 2026, Arts Council England: An Independent Review by Baroness Margaret Hodge, section C: "Tackling the Arts and Culture Funding Crisis".

[4] Museums Association, Two-thirds of museum directors warn of funding shortfalls, 20 June 2024; Transcript of Economy, Culture & Skills Committee meeting, 9 September 2026, panel 1, page 2, Arran Pedder (Pitzhanger Manor & Gallery).

[5] Mapping Museums Project, Mapping Museums, University of Leicester and Birkbeck, University of London, accessed 21 September 2026; Department for Culture, Media and Sport, DCMS-sponsored museums and galleries annual performance indicators 2024/25: headline release, 2025, accessed 21 September 2026.

[6] Association of Independent Museums, Museum Outlook and Market Research Summary Report, February 2026.

[7] Department for Culture, Media and Sport, DCMS-sponsored museums and galleries annual performance indicators 2024/25: headline release, 2025, accessed 21 September 2026.

[8] Transcript of Economy, Culture & Skills Committee meeting, 9 September 2026, panel 1, page 2.

The Committee also considered the Government's proposal, set out in its response to the Independent Review of Arts Council England and since withdrawn, to explore whether national museums could charge for admission in certain circumstances.[9] The Committee notes that the Government has subsequently confirmed that national museums will retain free entry.[10] This reflects concerns raised in evidence to the Committee about the impact that admission charges could have on visitor numbers[11], the practical challenges of implementation[12], and the principle that museums holding collections associated with Britain's imperial and colonial history should remain freely accessible to the international audiences they attract.[13]

Unique pressures on small and community-based museums

Small and community-based museums have to navigate these funding pressures with significantly fewer tools at their disposal. Arran Pedder (Head of Development at Pitzhanger Manor & Gallery) told the Committee that the museum had experienced a 50 per cent increase in costs over the previous two years.[14] He also highlighted the increasingly competitive funding landscape, noting that he is solely responsible for securing funding on behalf of the organisation while competing against much larger institutions with greater fundraising capacity and resources.[15] He added that small and community-based museums are missing multi-year funding commitments, relying on unpredictable forecasts from ticketed income.[16] Jenny Waldman (Director, Art Fund) specified that these increased costs include energy costs, wage increases and employers' National Insurance (NI) contributions.[17]

Small and community-based museums also provide significant social and cultural value to the communities they serve, underlining the need for continued support and protection. Rhiannon Goddard told the Committee:

> *"I think we are missing the point of what a small, local, independent museum has to offer their community. It is about placemaking. It is about building community. It is about cultural capital. It is about education. It is about wellbeing. They are community hubs that draw people together."*[18]

Supporting London's cultural sector through an Overnight Visitor Levy

The potential introduction of an Overnight Visitor Levy may present an opportunity to support museums and galleries, particularly where revenues are reinvested in the cultural sector. The Committee held a meeting on the levy proposals earlier in 2025-26, with the Deputy Mayor for Business and

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[9] Department for Culture, Media and Sport, Government response to the recommendations from the independent review of Arts Council England, 2026.

[10] Department for Digital, Culture, Media and Sport, National museums to remain free for everyone, (29 September 2026).

[11] Transcript of Economy, Culture & Skills Committee meeting, 9 September 2026, panel 2, page 8.

[12] Transcript of Economy, Culture & Skills Committee meeting, 9 September 2026, panel 1, page 12.

[13] Transcript of Economy, Culture & Skills Committee meeting, 9 September 2026, panel 2, page 8.

[14] Transcript of Economy, Culture & Skills Committee meeting, 9 September 2026, panel 1, page 2.

[15] Transcript of Economy, Culture & Skills Committee meeting, 9 September 2026, panel 1, page 6.

[16] Transcript of Economy, Culture & Skills Committee meeting, 9 September 2026, panel 1, page 15.

[17] Transcript of Economy, Culture & Skills Committee meeting, 9 September 2026, panel 1, page 3.

[18] Transcript of Economy, Culture & Skills Committee meeting, 9 September 2026, panel 1, page 8, 9.

hospitality industry experts. [19] The GLA Oversight Committee has previously set out support for a levy in a recent report on devolution[20], highlighting it as a potential revenue source to support infrastructure benefiting both Londoners and tourists.[21]

The Committee heard at our 9 September meeting that revenues from any future visitor levy could be used both to help sustain free access to museums and galleries and to support wider investment in London's cultural offer. Jenny Waldman highlighted research conducted by Art Fund with YouGov and More in Common which found that 72 per cent of UK adults believe that a portion of revenue from a potential levy should be used to keep national museums free to enter for all.[22] Sir Tristram Hunt echoed this view, noting that four out of five international visitors come to London because of its cultural offer, highlighting both the importance of museums and galleries to the capital's tourism economy and the potential value of reinvesting revenues from any future visitor levy in the sector.[23]

The Committee heard broad agreement from experts that any revenues generated by a levy, or any other additional financial support for the sector, should be additional to existing funding arrangements rather than used as a replacement for them.[24] Rhiannon Goddard noted that existing funding often supports capital and community projects, but does not always address the long-term sustainability of museums, including operational costs and the upkeep of buildings and infrastructure.[25] This reflects concerns that existing funding streams do not always meet museums' core operational needs.

Conclusions

In conclusion, the Committee believes that the Department for Digital, Culture, Media and Sport (DCMS) should continue to explore sustainable options to support museums and galleries at a time of significant financial pressure. This is particularly important for London, given the scale of its cultural offer and the contribution the sector makes to the city's economy. In doing so, DCMS could consider:

- Reflecting on the findings set out above, alongside existing research, and continuing to engage with museums and galleries to ensure the practical implications of the Government's response to the Hodge Review, are fully understood.

- Exploring, in partnership with museums and galleries, how DCMS can address the funding challenges and support the long-term sustainability of a sector that contributes significantly to the UK's economy, visitor offer and international standing.

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[19] London Assembly, Economy, Culture and Skills Committee, Letter to the Mayor of London, Overnight Visitor Levy in London, 25 August 2026.

[20] London Assembly, GLA Oversight Committee, Trusting London to deliver: our place in the Government's devolution reforms, September 2025, pages 31-37

[21] Alessandro Georgiou AM and Lord Bailey of Paddington AM, of the City Hall Conservatives Group, dissent from this paragraph as there are differing views on the Committee on the proposal to introduce an Overnight Visitor Levy in London, and therefore this letter should not be interpreted as a Committee view in favour of the proposed levy.

[22] Transcript of Economy, Culture & Skills Committee meeting, 9 September 2026, panel 1, page 12.

[23] Transcript of Economy, Culture & Skills Committee meeting, 9 September 2026, panel 2, page 4.

[24] London Assembly, Economy, Culture and Skills Committee, Letter to the Mayor of London, Overnight Visitor Levy in London, 25 August 2026; Transcript of Economy, Culture & Skills Committee meeting, 9 September 2026, panel 1, page 2.

[25] Transcript of Economy, Culture & Skills Committee meeting, 9 September 2026, panel 1, page 2, 6.

- Ensure that any potential new revenue from any future Overnight Visitor Levy delivers additional value for museums and galleries by complementing, rather than replacing existing DCMS public funding.

- Continuing engagement with the full breadth of the museum sector, including smaller and independent museums, to ensure that future funding approaches reflect the different financial and operational challenges faced by institutions of varying sizes and capacities.

The Committee would welcome a response to the issues raised in this letter by 23 January 2027.

Yours,



Bassam Mahfouz AM
Chair of the Economy, Culture and Skills Committee