

# MUSEUMS ASSOCIATION E-NEWS 13

## February 2020 -- **EXTRACTS**

### Valuation Office Agency to appeal landmark business rates ruling on museums

Geraldine Kendall Adams 13.02.2020

Judgement could result in significant savings for many institutions but the result is not yet secure. The Valuation Office Agency (VOA) is seeking leave to appeal against a landmark ruling on how museums in England and Wales are valued for business rates purposes.

In January, a long-running test case between the VOA and the Royal Albert Memorial Museum (RAMM) concluded with the Upper Tribunal ruling in favour of the museum that business rates should be calculated using the receipts and expenditure method, which looks at whether the property makes a net surplus, rather than the contractor's method, which assesses the cost of rebuilding.

The VOA confirmed this week that it will appeal the judgement, which would see RAMM's rateable value reduced from £445,000 to £1 and result in backdated savings of more than £1.5m.

In their 72-page judgement on the case, the judges recommended that the valuer should "look at this result in the context of the large operational deficit faced by the respondent and the high level of annual subsidy that it must provide to sustain the museum in the face of competing demands for its limited resources".

The ruling has implications for hundreds of museum across England and Wales, particularly those that operate at a loss. On average, valuations based on receipts result in a rateable value five or six times lower than those calculated by the contractor's method.

Institutions that stand to benefit most are local authority-run operators that do not qualify for the current 80% relief on business rates for charities, but museums of all types could see significant savings, says Colin Hunter, the division director of rating at Lambeth Smith Hampton, the legal firm that won the case on behalf of RAMM.

"There are a lot of museums out there that will end up with a very low rateable value," says Hunter, speaking to Museums Journal before the VOA requested leave to appeal. "It will allow them to put money away for a rainy day instead of worrying about how to pay their rates bill. For some it could mean the difference between having the budget to survive and possibly closing."

The case is the latest in a series of legal battles that began more than a decade ago and accelerated after the 2017 revaluation, which saw a huge 48% hike in the total rateable value of museums in England and Wales. A number of other museums and galleries have won significant victories on their rates bills in recent years, including York Museums Trust, Chatham Historic Dockyard and the Mary Rose Trust in Plymouth. Following the deluge of cases, the courts decided that RAMM's appeal would be a test case for the sector.

The court has not yet confirmed whether the VOA will be granted the right to appeal; if the appeal goes ahead, the judge will only consider whether an error has been made in applying points of law rather than the facts and evidence that were presented to the court.

In spite of the delay to the final outcome, museums that are thinking about appealing their rates bills for the 2017 valuation period should get this in motion well ahead of the next rating revaluation in 2021, says Hunter. "All museums should be thinking about 2017 and getting into gear now to do something about it. If they wait and see what happens they're going to be out of time."

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## **DCMS gets ninth culture secretary in a decade.**

Geraldine Kendall Adams 13.02.2020

Oliver Dowden appointed after cabinet reshuffle

The Department for Digital, Culture, Media and Sport (DCMS) has a new secretary of state after today's cabinet reshuffle, with Oliver Dowden replacing Nicky Morgan in the role.

Dowden has been the MP for Hertsmere in Hertfordshire since 2015. He joins the department after serving as minister for the Cabinet Office and Paymaster General since 2019.

Dowden joined the Conservative Research Department in 2004. Following that he spent a brief stint working at PR company Hill & Knowlton, and also served as a special advisor in the Conservative Party and deputy chief of staff to former prime minister David Cameron. He was opposed to Brexit before the 2016 referendum.

Morgan had been in the role since July 2019 and continued despite stepping down as an MP in the general election. Her reappointment was made possible after she was granted a peerage.

Dowden is the ninth culture secretary appointed since the Conservatives came to government in 2010. His appointment has allayed concerns that the prime minister Boris Johnson was planning to axe the department.

### **Culture secretaries since 2010**

- Jeremy Hunt, May 2010-September 2012
- Maria Miller, September 2012-April 2014
- Sajid Javid, April 2014-May 2015
- John Whittingdale, May 2015-July 2016
- Karen Bradley, 14 July-2016-January 2018
- Matt Hancock, January 2018-July 2018
- Jeremy Wright, July 2018-July 2019
- Nicky Morgan, July 2019-February 2020