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# Consultation Paper on Future Sponsorship Arrangements for the Museum of London

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## Section 1: Introduction

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1.1. This consultation paper seeks views on proposals for the future sponsorship of the Museum of London. These include options which would increase the role of the Greater London Authority (GLA) in the funding and governance of the Museum.

1.2. In November 2005, the Government published proposals for additional powers and responsibilities for the Mayor and Assembly, including options for an enhanced role in culture and sport in the capital. In response, the Mayor requested that the GLA be given greater responsibilities in respect of the Museum of London. The Government believes that there are three viable options for the future sponsorship of the Museum. They are examined in detail below and form the basis of this consultation.

1.3. The deadline for responses to this consultation is **8 September 2006**. Contact details are given on page 16.

## Section 2: Background

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### The Museum of London

2.1. The Museum of London was established in 1975, by the merger of the London Museum and the Guildhall Museum, and opened in 1976. The Museum of London currently consists of the Museum of London at London Wall, the Museum of London Archaeological Service (MoLAS) and the London Archaeological Archive and Research Centre. The Museum of London is also responsible for the running of the Museum in Docklands, currently a separate legal entity, but there are plans for the two museums to merge.

### Current governance and sponsorship arrangements

2.2. The Museum of London is a Non-Departmental Public Body, funded jointly by the Department for Culture, Media and Sport (DCMS) and the City of London Corporation ('the City'). It is governed by the Museum of London Acts 1965 and 1986. The Museum is administered by a Board of 18 Governors, nine of whom are appointed by the Prime Minister and nine by the City. By agreement between the City and the GLA, the GLA may nominate a candidate for one of the City appointments. The Board is responsible for electing the Chair from among its members.

2.3. Prior to 1986, the Museum of London was jointly sponsored by the Government, the City and the Greater London Council, who each appointed 6 of the 18 Board members. This composition was changed to its present form with the abolition of the GLC.

### Funding

2.4. The Museum of London Act<sup>1</sup> requires the Secretary of State and the City of London Corporation to provide equal levels of funding for the Museum "*...or other such proportion thereof as the Corporation and the Secretary of State may, in the case of particular amounts paid in respect of particular expenses, agree.*"

2.5. The Museum of London currently receives some additional funding from DCMS which, by agreement, is not matched by the City. This includes sums in compensation for granting free admission to visitors and to aid in the running of the Museum in Docklands.

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<sup>1</sup> Section 15 (3) of the Museum of London Act 1965, as amended by the 1986 Act.

### Funding for the Museum of London 2005-06-2007-08 (£000)

	2005-06	2006-07	2007-08
<b>DCMS</b>			
Resource*	6,576	6,852	7,209
Capital	0	1,000	1,600
<b>Total</b>	<b>6,576</b>	<b>7,852</b>	<b>8,809</b>
<b>City of London</b>			
Resource*	4,921	5,069	5,234
Additional Resource	0	100	100
Discretionary rate relief	0	103	60
Capital	0	0	0
<b>Total</b>	<b>4,921</b>	<b>5,272</b>	<b>5,394</b>
<b>Overall total</b>	<b>11,497</b>	<b>13,124</b>	<b>14,203</b>

\* The above figures do not include Renaissance Programme funding, where the Museum of London is the Lead Partner within the London Museums Hub, project funding received from DCMS and the City towards the MoLAS review (£56,000 from each partner), or DCMS Reform Pot funding of £79,000 for a pay and grading review in 2006/07.

### The GLA and the Museum of London - Previous consultations

2.6. The Green Paper *'New Leadership for London'*<sup>2</sup> published in July 1997 paved the way for the establishment of the Greater London Authority. The Green Paper sought views on which responsibilities then residing elsewhere could be transferred to the GLA, including in the areas of culture, media and leisure. Under this heading, the Green paper stated *"it is for discussion whether the GLA should have a role in respect of other non-strategic pan-London bodies and what this role might be."*

2.7. This was followed by a consultation paper issued by DCMS as part of their Comprehensive Spending Review; *'A New Approach to Investment in Culture'*<sup>3</sup>. This paper proposed specific options for the future governance and sponsorship of the Museum of London. The options given were:

- the status quo (DCMS and the City share funding)
- the transfer of DCMS' funding role to the GLA; and
- Full responsibility for funding the Museum of London given to the GLA.

2.8. The options for change which were offered at this time were not supported by stakeholders. As a result, it was determined that the status quo should stand, but that the matter could be reviewed again at a later date when the GLA had been given time to 'bed down' and develop its roles and functions. The City subsequently agreed to allow the GLA to nominate a candidate for one of their nine places on the Museum of London Board of Governors.

<sup>2</sup> Cm 3724 Published by HMSO in July 1997. Followed by the White Paper *'A Mayor and Assembly for London'*, Cm 3897, March 1998.

<sup>3</sup> Consultation paper dated 24 July 1998.

## The GLA's responsibilities

2.9. The current responsibilities of the GLA in the area of culture were set out in the Greater London Authority Act 1999. This:

- required the Mayor to produce a culture strategy for London, covering the full range of culture including topics such as arts, sport and tourism;
- provided a specific power permitting the Mayor to make grants for the purposes of any museum, gallery, library, or archive or other cultural institution;
- enabled the Mayor to provide non-financial assistance to cultural institutions;
- imposed a duty to promote Greater London as a tourist destination in its own right and overseas as a gateway to the UK; and
- gave the GLA responsibility for the care and management of Parliament and Trafalgar Squares.

## Section 3: Why we are consulting now

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3.1. On 30 November 2005 the Government published its consultation document; *The Greater London Authority – The Government’s proposals for additional powers and responsibilities for the Mayor and the Assembly*<sup>4</sup>.

3.2. Chapter 4.5, on culture, stated that “...the GLA should have a significant influencing role on culture and sport in London through a clearly defined consultative role and through powers to make appointments to those London regional cultural bodies which are part of the DCMS network”. The document went on to add that “We do not propose that responsibility for the day to day funding and running of cultural facilities should be transferred to the GLA.”

3.3. In response, the Mayor of London stated that “Given that the Museum of London is a resource for all of London, and not just the City, it should come under London’s citywide government.”<sup>5</sup> Subsequent discussions between the GLA and DCMS have established that the Mayor’s preference is to take on the funding responsibilities and power to appoint Board members which currently fall to central Government. The Mayor does not want to take on the City’s responsibilities for the Museum.

3.4. Having considered the Mayor’s response to the GLA review, and whilst the Government believes that national bodies that happen to be based in London should remain under central Government control, we think that on reflection there is a rationale for transferring certain London institutions to the GLA and that this should form the basis of a consultation.

3.5. The eight years which have passed since the last consultation on the Museum of London have seen both the GLA and the Museum evolve their respective roles. The GLA has established both a strategic and executive function in the running of Greater London. The Museum, in turn, has developed a more London-wide focus, for example by taking on the running of the Museum in Docklands and becoming Lead Partner in the London Regional Museum Hub. In light of this changing context, and the interest expressed by the Mayor of London, Ministers now believe that it is time for the issue of the Museum’s funding and governance to be considered again.

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<sup>4</sup> The 30 November consultation document is available from the Department of Communities and Local Government website at: [http://www.communities.gov.uk/pub/904/TheGreaterLondonAuthorityconsultationpaper\\_id1161904.pdf](http://www.communities.gov.uk/pub/904/TheGreaterLondonAuthorityconsultationpaper_id1161904.pdf)

<sup>5</sup> The Mayor’s response was published on 14 February 2006 and can be found on the GLA website at: <http://www.london.gov.uk/mayor/powers/docs/response.pdf>

## Section 4: Options for consideration

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4.1. The Government believes that transferring some or all of its responsibilities for funding and governance of the Museum of London to the GLA may be beneficial to both London and the Museum. The GLA has asked to take on at least some of the Government's interests in the Museum, but has made it clear that it does not wish to assume any of the City's powers. Given this, we believe that there are three practical options, including keeping the present arrangements. These are:

- **Option 1: Maintain the status quo**
- **Option 2: The GLA nominates or appoints some of the nine Governors currently appointed by the Prime Minister**
- **Option 3: The Government's responsibilities for funding and governance are transferred to the GLA**

4.2. The benefits of each of these options are considered below. The final decision on which option will be adopted will be informed by the following core principles, which reflect Government policy:

- The Museum's core purpose "*to promote understanding and appreciation of historic and contemporary London*"<sup>6</sup> will be preserved.
- Central Government powers will be devolved to regional level for functions that relate specifically to London.
- Local powers will not be affected.
- Delivery of culture in London will be enhanced.
- Bureaucracy and regulatory burdens will not increase.

### **Option 1: Maintain the status quo**

4.3. The current sponsorship arrangements would remain as they are, with DCMS and the City sharing responsibility, and formal GLA involvement being limited to the power to nominate a candidate for one of the City's appointments to the Board. There would be no requirement for the GLA to be involved in the Museum, but the GLA would be free to work in partnership with the Museum and to provide additional funding if it wished.

4.4. This option would do little to integrate the GLA's cultural policies with those of the Museum. The main strategic drivers would be DCMS and the City, with the GLA having a limited role.

- **Question 1: Do you think that the status quo should be retained and, if so, why?**

### **Option 2: The GLA nominates or appoints some of the nine Governors currently appointed by the Prime Minister.**

4.5. The GLA would have the right to appoint or nominate some members of the Museum of London Board:

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<sup>6</sup> Section 3 (1)(c) of the Museum of London Act 1965, as amended by the 1986 Act.

- “appoint” would mean the GLA taking legal responsibility for appointing some of the governors currently appointed by the Prime Minister;
- “nominate” would mean the GLA having the right to nominate candidates for some of the Prime Minister’s appointments, but the Prime Minister would retain legal responsibility for making the appointments. The right to nominate could be enshrined in statute or given on a more informal basis.

It is not proposed to change the City’s powers of appointment. Funding arrangements would remain as they are now and we would not change the arrangements for selecting the Chair.

4.6. This option has the potential to give the GLA more strategic influence over the Museum, the extent of which would be determined to some degree by the number of appointments it makes. As now, the Board would remain independent, operating at arm’s length from its statutory funders. It would, however, remain directly accountable to its funders - the City and DCMS – and not the GLA. This option has the benefit of being relatively easy to implement and would be cost neutral.

4.7. Although the Government thinks that Option 3 is the most beneficial potentially, it believes that Option 2 could be adopted as a fall-back.

- **Question 2: Do you agree that the GLA should nominate or appoint some of the Museum of London Governors currently appointed by the Prime Minister?**
- **Question 3: What is the optimum number of appointments which will give the GLA more influence whilst safeguarding accountability to Government as the main funding partner?**

### **Option 3: The Government’s responsibilities for funding and governance are transferred to the GLA**

4.8. The Government’s sponsorship responsibilities for the Museum of London would be fully devolved to the GLA. The GLA would have responsibility for making nine appointments to the Board and, with the City, would have responsibility for providing funding to run the Museum. The Board would be directly accountable to the GLA and the City. Under this option, central Government would have no more direct influence on the Museum than it does over other regionally or locally funded Museums through, for example, the work of the MLA and funding programmes such as Renaissance in the Regions.

4.9. Over the last few years, MoL has become increasingly focussed on its regional role, demonstrated most clearly by its running of the Museum in Docklands and its role as Lead Partner in the London Regional Museums Hub. We believe that this option would have the benefit of enhancing the Museum’s regional presence, and aligning its primary purpose with that of the strategic body responsible for London. It would help to strengthen the relationship between the GLA and the City, and would allow DCMS to focus its resources on sponsoring national bodies. We believe that the Museum’s status as the museum of the national capital will safeguard its national and international standing.

4.10. If this option was implemented, any Government grant in aid for the Museum up to 2007/08 would be transferred to the GLA. Future funding would be provided through the GLA’s allocation of grant in aid from the Department of Communities and Local Government (DCLG – formerly the Office of the Deputy Prime Minister). The Museum would still have access to Renaissance in the Regions funding, the DCMS/Wolfson Foundation Museums and Galleries Improvement Fund and the Government Indemnity Scheme.

4.11. The Museum is an exempt charity; that is, it is not registered with or regulated by the Charity Commission, but like other charities must still comply with charity law. Proposals in the Charities Bill (which is currently before Parliament) would make its Principal Regulator responsible for monitoring and promoting its compliance with charity law obligations. If sponsorship were to be devolved to the GLA, consideration would need to be given as to whether it would be possible and appropriate for the GLA to take on the role of charity law Principal Regulator for the Museum - the alternative being regulation by the Charity Commission.

- **Question 4: The Government believes that of the three options identified, this is potentially the most beneficial to the Museum and to London. What are your views?**

## Section 5: Other options

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5.1. We have also considered other sponsorship models, such as a tripartite model where DCMS, GLA and the City have equal responsibility for the Museum, or a transfer of responsibility to a single body. However, these do not meet the core principles set out in paragraph 4.2. For example, they would take away local control and would increase bureaucracy.

- **Question 5: Are there any alternative models for the governance of the Museum which you think should be considered and which meet the core principles?**

## Section 6: Other museums in London sponsored by DCMS

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6.1. The Government does not intend to transfer any of its responsibilities for national museums and galleries based in London to the GLA, nor does the GLA seek to take them on. There are, however, two non-national museums in London sponsored by DCMS which were formerly under the control of the GLC until its abolition in 1986: the Geffrye Museum and the Horniman Museum and Gardens. Both of these Museums have been independent Charitable Trusts since 1990.

6.2. Although the Mayor has not asked to take on responsibility for these two museums, we would be interested to hear views on whether or not any benefits would arise from their transfer to the GLA. Both museums are partners with the Museum of London in the London Regional Hub, and have very strong links with their local communities, which might argue in favour of devolution to the GLA. On the other hand, the Horniman has collections of both national and international importance which do not relate to the history of London and the Geffrye tells a story about English life and history which is also of national significance.

- **Question 6: What are your views on whether the Horniman Museum and Gardens and the Geffrye Museum should transfer from DCMS to GLA control?**

## Section 7: Legislation

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7.1. Section 1 of the Museum of London Act 1965 provides that the City and the Prime Minister are each to appoint nine governors. This will have to be amended if any appointments are to be given to the GLA (although if the GLA is only given the option of nominating candidates, as opposed to appointing, it may be that no change will be needed).

7.2. Other sections of the 1965 Act will need to be amended if option 3 is followed. Section 15 of the 1965 Act governs the way in which DCMS and the City finance the Museum, and other sections provide for the consent of DCMS and/or the City to be obtained before the Board can exercise such functions as acquiring or disposing of land (section 3); appointing the Museum's Director and determining the terms and conditions on which he holds office; appointing other officers and employees and determining their terms and conditions; determining staff pay (section 4). If DCMS' role is transferred in its entirety to the GLA, these and other similar references in the Act will need to be amended to reflect the GLA's role.

7.3. It is not thought that any significant changes to the Museum of London Act 1986 will be necessary.

7.4. Amendments to the Act may only be made through primary legislation, which would be implemented at the earliest opportunity if the outcome of this consultation is that the GLA should have a role in the governance and/or funding of the Museum of London and that primary legislation is required.

## Section 8: Timetable

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8.1. The Government is committed to implementing any changes to the primary legislation covering the Museum of London as soon as Parliamentary time allows. Other changes will be made using secondary legislation or by agreement.

## Section 9: Regulatory Impact Assessment

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9.1. The measures proposed in this consultation paper relate to the governance of the Museum of London. Any impact upon businesses, charities or the voluntary sector has been deemed to be negligible. A Regulatory Impact Assessment has, therefore, not been undertaken.

## Section 10: How to respond to this consultation

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**The deadline for responses is 8 September 2006.**

All responses or questions relating to the content of this consultation should be sent (in hard copy or electronically) to:

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Museums, Libraries and Cultural Property Division

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2-4 Cockspur Street

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Tel: 020 7211 6244

[David.Lee@culture.gsi.gov.uk](mailto:David.Lee@culture.gsi.gov.uk)

If you have any complaints about the way this consultation has been run you can contact the DCMS consultation co-ordinator:

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