

GO
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Public

The Kirkland Collection
International Art
Collectors in Sheffield
Seminar Notes
by Louisa Buck

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Going Public: International Art Collectors in Sheffield was conceived to explore how public galleries and philanthropists can better develop meaningful, mutually beneficial relationships.

Co-originated by Mark Doyle and Sebastien Montabonel and led by Museums Sheffield, the project launched in 2015, bringing work from some of Europe's finest private collections of contemporary and 20th century art to Sheffield in a citywide series of exhibitions, accompanied by a major summit which asked the question 'How can public art institutions unlock the potential of philanthropy?'

In 2016 *Going Public* continued with an exhibition at the Graves Gallery drawn from the collection of Valeria Napoleone.

The exhibition was displayed at Graves Gallery 15 July – 1 October 2016, before travelling to Touchstones Rochdale, Greater Manchester 10 December 2016–11 March 2017.

The Exhibition at Graves Gallery was accompanied by a seminar on 16 September 2016.

The next stage of *Going Public* was an exhibition drawn from the collection of Jack Kirkland presented at Graves Gallery 2 September – 2 December 2017.

The exhibition was accompanied by a seminar held at Millennium Gallery, Sheffield on 20 September 2017.

Introduction: Ongoing conversations...

Going Public 2015 was always intended to be a starting point, not a conclusion. It instigated an ongoing series of conversations around the ways in which regional galleries with visual arts collections could benefit by working closely with private collectors.

The seminar held at Sheffield's Crucible Theatre on 16 September 2016 marked an important continuation of these conversations. During this one day event collector Valeria Napoleone and key organisers of *Going Public 2015* explored the practicalities of what was needed to initiate, nurture and maintain conversations between public institutions and private individuals now and into the future.

A second one-day seminar held at Sheffield's Millennium Gallery on 20 September 2017 extended these discussions still further.

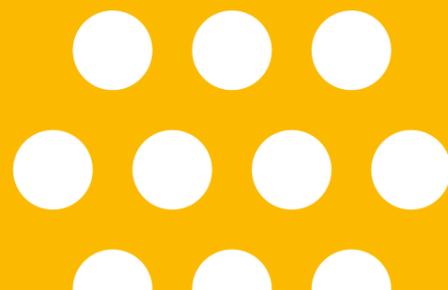
Collector Jack Kirkland shared his personal insights and his experience of working with institutions with Simon Baker, Curator of Photography at Tate.

Representatives from three major private collections; Jo Baring, Director of the Ingram Collection; Lara Wardle, Director of Jerwood Foundation and Jerwood Collection and James Knox, Director of the Fleming Collection offered an informative range of perspectives on how private collections interface with the public sector. The session was moderated by Nathaniel Hepburn, the then-outgoing Director of Ditchling Museum of Art and Craft in East Sussex and from October 2017, Director of Charleston Trust.

Practical financial advice was also provided by Catherine Higgs and Anastasia Tennant from Collections and Cultural Property at Arts Council England, who highlighted government incentives and advantages for private individuals who wish to donate and the ways in which public institutions can use these incentives to encourage private giving.

Session 1:
The Collector's Experience

Simon Baker, Curator of Photography, Tate in conversation with collector Jack Kirkland, Director of Bowmer & Kirkland, a construction, real estate and public safety group.



Jack Kirkland's collection consists of around 1000 works ranging from antiquities through to twentieth century paintings and sculpture by abstract and minimalist artists including Donald Judd, Bridget Riley, Ad Reinhart and Carl Andre, as well as a holding of 20th century photography. Younger contemporary artists such as Lara Favaretto, Glenn Ligon and Abraham Cruzvillegas are also represented, among others. Kirkland's collection consists predominantly of non-figurative works and the antiquities he owns chime strongly with the modern and contemporary art in the collection.

Half the Kirkland collection comprises photographs dating from 1919 to the present day, with a particular focus on inter-war European and post war American photography. These works also firmly emphasise the abstract. The Kirkland collection of photography is promised to Tate, where Jack Kirkland is a founding member of the Photography Acquisitions Committee and sits on Tate's International Council. He is also Chairman of Nottingham Contemporary and a Trustee of the Bridget Riley Art Foundation. In 2011 he established the Ampersand Foundation to fund visual arts activities throughout the UK.

Kirkland outlined his evolution as a collector and his approach to collecting. He explained that, although he never formally studied art or art history, his father bought Modern British works and he grew up in a house full of art. Another early influence was Manchester collector, Frank Cohen, who was the father of one of his school friends.

"The first time I felt that I was a collector rather than just buying things that I liked was when I bought something that wouldn't go in my flat. And then I thought, Oh that's something different."

Over time he has honed a more "scattergun" approach to collecting into an increasingly rigorous and strategic desire to make his collection more than the sum of its parts. He sees this as different from the broader range of many museums and commercial galleries, stating, "Museums often have to expand and collections have to refine." He prefers to experience the work before meeting the artist, but has also developed close relationships with some of the artist he collects, most notably Bridget Riley.

Kirkland identified photography as a field in which he originally felt that great work could be acquired for reasonable amounts of money. The under representation of early European and American Modernist photography in the UK's public collections also offered him the opportunity to make a significant contribution.

The starting point for Kirkland's photography collection is a 1919 abstract 'Schadograph' photograph by the German artist Christian Schad, and the collection also encompasses works by László Moholy-Nagy, Albert Renger-Patzsch, Otto Steinert and Lewis Baltz. Right from the beginning Kirkland has been building up this collection, which he defines as "photographs without people in them", in close association with Tate.

"We've got this great working relationship with Tate whereby I will ring ... before I buy something just to check [Tate] haven't got it, and [Tate] will do the same with us and it works very well. The deal we have is that I live with these things whilst I'm alive and after I'm dead they can have them. But in the meantime they can borrow them for exhibitions and permanent displays whenever they like."

Simon Baker also underlined the benefits for Tate from this uniquely close institutional involvement in shaping a private collection.

"Jack indicating that he'd like to give his photography collection to Tate really liberates us from the kind of constraints that we would usually have in discussing acquisitions with a collector. We wouldn't usually be advising or even discussing acquisitions other than in the context of a gift"

Regarding his other institutional associations, Kirkland described being Chairman of Nottingham Contemporary as a refreshingly challenging experience.

"When you're involved in the family business you find that there is a danger that a lot of people say 'yes' to you...but what's nice about being Chairman of a public institution is that people just go, no, that's completely wrong. It's nice. It sharpens you again."

He believes that collectors and dealers who benefit from the art ecology should give back, especially to regional museums and galleries, whether by donating funds or showing their collections. He observed that most of those who support museums and galleries outside London often do so because they have a personal connection to the area. Another key way to garner support from far afield is have a strong programme. Overall he stressed the importance of institutions reaching out to individuals, and that this was predominantly the job of the museum/gallery curator, together with establishing a relationship of "mutual trust" with collectors.

"Our slogan [at Nottingham Contemporary] is 'International Art for Everyone, For Free'. It's about making sure on one hand you don't become a kind of glorified community centre, because it's got to be about the art. But it's also about putting down roots within the infrastructure, and that's about people, primarily. It's also about getting schools involved. Schoolchildren became our fifth columnists because they get their parents to come and see things. Our visitor numbers for what is quite a tough programme are amazingly strong."

Kirkland cited several factors that influenced his decision to accept the invitation to show his collection in Sheffield. Most notably his admiration for the programme at the Graves Gallery, and especially the Bridget Riley show in 2016; also, the fact that Sheffield was close enough to his Midlands home so that he could be on hand to install the works. Kirkland also revealed a strong personal connection to Sheffield as his late mother was from the city; and more recently his company had carried out a number of projects in Sheffield. He stressed how much he had enjoyed curating the show and working with the technicians at Graves Gallery.

He explained that he had set up the Ampersand Foundation to donate to areas within public institutions that can be difficult to fundraise for, such as a photography cold store for Tate or a donation to the National Gallery for reframing. For the next three years, along with supporting Tate and the National Gallery, he aims to extend the reach to non-London venues where he believes he can make more of a difference.

Summing up, Kirkland stressed the crucial role of personal relationships in getting him and other collectors involved in regional galleries.

"I think it's always about people, and curators sometimes underestimate this. It's nice for me to step out of my day job and talk about pictures for fifteen minutes and I think curators needn't be shy about that. If those conversations are good, then relationships can be formed and people will trust the curator to take care of things."

Session 2:
**Private Passions:
Public Benefit**

Panelists:

Jo Baring, James Knox and Lara Wardle

Moderator:

Nathaniel Hepburn

The panel first offered an outline description of their collections. Each made the point that, inevitably the nature of each has been dictated by the taste, interests and personality of each individual collector.

Lara Wardle stated that the Jerwood Collection “hasn’t been collected by a committee, so it has a personality...we do not try and present an encyclopedic twentieth century British collection, we don’t feel that is our purpose, so the collection is more quirky.”

More recent work has been acquired from artists who won the Jerwood Painting Prize, which ran from 1994–2003, with most contemporary acquisitions based around artists with whom there is a “Jerwood connection”, such as those who have exhibited at the Jerwood Gallery.

According to James Knox, the Fleming Collection began essentially as what would now be called a corporate collection. But he stressed that it was also “very personal” and it was bought by two people, Robert Fleming and a fellow partner. But there are now plans afoot to make it into a “drop dead collection of Scottish art”, which also includes contemporary work. In 2014 it inaugurated the Fleming Wyfold Bursary for most promising fine art graduate from Scottish art schools, developed with the Royal Scottish Academy for Art.

Jo Baring described the Ingram Collection as a quirky collection with “Chris [Ingram’s] fingerprints ... all over it... there are pockets of brilliance and complete gaps.” Their annual Young Contemporary Talent Purchase Prize for recent arts graduates results in the acquisition of three works and a solo show for the overall winner in the Lightbox.

“Risk taking is obviously something that private collectors can do: it’s much easier for us to go and buy something – we don’t have to pass works through an acquisitions committee. Our contemporary collecting is not big, mega-flashy contemporary: Chris is very interested in helping young people, so it’s people who are just out of art school.”

JO BARING

Jo Baring recommended researching and factoring-in the personal interests of a collector when seeking loans, funding or sponsorship. Lara Wardle observed that borrowing works can also offer up new avenues for collaboration, as well as access to contacts and information-sharing.

The panelists were asked about the charitable status of their collections.

Jerwood Foundation was established in 1977. Jerwood is a family of registered charities and not-for-profit organisations established by Jerwood Foundation to support the arts in the UK: Jerwood Charitable Foundation is a registered UK Charity which gives revenue grants; Jerwood Gallery is a registered UK Charity; Jerwood Space is a not-for-profit organisation. The Jerwood family of organisations are united in their commitment to support, nurture and reward excellence and dedication in the visual and performing arts.

The Fleming Collection is an English charity, with the goals to care for the works in the collection and to promote Scottish art and creativity outside Scotland.

The Ingram Collection has recently become a registered charity; The Ingram Art Foundation.

Then each of the panelists cited a particular experience of sharing their collection to the public benefit.

James Knox elaborated on the notion of Cultural Diplomacy and some of the relationships that the Fleming Collection has forged with both British and Scottish governments. A recent example is the loan of works originally intended just for the four-room Scottish hub within the British Embassy in Dublin, but now also extends throughout all the reception rooms. Another is a loan to the Scottish Government's London headquarters, which they share with the Highlands and Islands Enterprise Board and Visit Scotland. The Fleming Collection also works with the British Government and has hung part of the collection in the reception and saloon of Dover House in Whitehall, the London headquarters of The Scotland Office.

Jo Baring stated that 84% of Ingram's Modern British collection has been on public display, with loans to the Royal Academy, Dulwich Picture Gallery, Pallant House amongst others. Of equal importance to Chris Ingram is the charitable work of the collection, including The Clink, an initiative which runs restaurants staffed by inmates of UK prisons and which Ingram supports by acquiring work by prisoners and then loaning them back to the restaurants.

Lara Wardle singled out an initiative which marked the Jerwood Gallery's 5th anniversary celebration last year by inviting the public to go onto the Art UK website and select their favourite work from the Jerwood Collection. These were then put on show in the gallery, accompanied by a brief explanation of each choice.

The conversation turned to different approaches to displaying the collection. When James Knox took the post of Director he closed the Fleming Collection's London headquarters and, with the approval of Fleming's trustees, launched what he describes as a "museum without walls strategy," based on loans and partnerships with individual museums and galleries, nationally and internationally.

"The Museum without walls strategy has completely liberated us, and stabilised our finances. It's amazing what you can do with not a huge amount of money in terms of leverage and impact."

JAMES KNOX

Jo Baring elaborated on the relationship between the Ingram Collection and the Lightbox Gallery in Chris Ingram's home town of Woking, which won Art Fund Museum of the Year in 2008. Rather than build his own gallery, for the past 10 years the Ingram Collection has been loaned to the Lightbox. However most of the loans from the collection are across the UK and not limited to the Lightbox.

The advantages of loaning rather than gifting a collection were discussed.

Lending privately owned works enables the works to be seen in a wider variety of locations, with participating museums and galleries freed from the burden of cataloguing, conservation and storage. The point was also made that, while being very proud of the collections and wanting them to benefit as wide an audience as possible, individual owners often do not want to relinquish control - especially if a collection is still in the process of being added-to.

James Knox pointed out the risk of gifted works losing their individual significance by being subsumed into an institution's greater collection. He observed that the only guaranteed way for a collector to be sure their name will endure is by a high-profile, large scale act, such as paying for a special wing or a gallery to be built in their name. Jo Baring raised the consideration that most institutions are not prepared to accept a collection in its entirety, and instead prefer to 'cherry-pick' the best works in favour of more minor pieces.

It was agreed that in all matters forging personal relationships with other institutions is crucial. Each panelist advocated a proactive approach. James Knox observed that private collections are usually less bureaucratic and can thus be more flexible and reach decisions faster than public institutions. Conversely, Lara Wardle observed that while Jerwood are very efficient in their decisions, from her personal experience as a curator, public institutions can be more objective in deciding on loans, whereas private collectors – especially if they live with their works – can be more emotionally involved and take longer to decide.

"It's all about people and listening: you have to go and see them. Each time we have worked with an institution it's been in a very different way because they've got their own objectives and demographics. On the other hand you get a very different experience and different motivations for why individuals want to lend works. Trying to bring together private and public sector is very complex."

LARA WARDLE

Each member of the panel was asked how dealings with museums could be improved upon. James Knox cited timing, and the fact that museums offered little leeway for collaborations when they programmed their exhibitions so far in advance. Lara Wardle wanted more standardisation of paperwork for loans within the museum sector, and Jo Baring made a plea for more institutions to approach her to exchange ideas and initiate conversations. While she conceded that the Going Public seminar was a good start, a more formal forum would be helpful.

A synergy between the works in private and public collections was referenced as important in influencing a partnership with a public museum or gallery. Another criteria was forging relationships with knowledgeable and enthusiastic curators and individuals within these institutions. The audience demographic and the potential reach and impact of the collection was also cited as a significant factor.

“We have worked most successfully when there has been synergies with the collection. What we like to do is work where our collection and the works of other collections shed new light on each other. But it is also about relationships and getting the right people. You’ve got to have someone who is dynamic and who understands how to work with a private collector.”

JO BARING

The curatorial role of private collections was also referenced, with the fact that when a private collection, or an element of it, is loaned to an institution it comes fully catalogued and researched. Also often with transport and insurance organised as well.

It was pointed out that the very multifariousness and quirks that characterise private collectors and their collections can make them inaccessible to those who do not have the necessary knowledge or contacts. Some collections do not have a website and many individual collectors choose to keep a low profile.

Finally, Nathaniel Hepburn asked the panelists for their tips in breaking through the “concrete wall” of the commercial and private collector world.

Jo Baring advocated networking by attending as many events as possible: *“Get out there, go to private views, go to openings and meet people. Network.”* She also recommended working with your own institution’s trustees to achieve beneficial introductions and contacts.

Lara Wardle agreed with this, advising against being intimidated and pointing out that when a curator calls and shows an interest, collectors love to talk about their collections.

James Knox recommended that organisations based outside London should “start local” and source “rich families, rich collectors and stately homes” nearby. He also suggested putting on a locally-relevant exhibition to draw out those with a local interest. However it was also pointed out that Going Public did exactly the opposite: bringing international collectors into Sheffield in order to build relationships with local collectors who were otherwise turning their attentions outside the city.

Panelists:

JO BARING, DIRECTOR,

The Ingram Collection

A private collection put together by philanthropist and entrepreneur Chris Ingram, The Ingram Collection contains around 700 works of which 450 are aligned with key Modern British artists. The Ingram Collection is currently on loan to The Lightbox in Woking, a public gallery which opened in 2007. The Ingram collection loans hundreds of works from the collection to galleries across the UK.

JAMES KNOX: DIRECTOR,

The Fleming Collection

The Fleming Collection dates back to 1967 when the Fleming Scottish Banking Dynasty wanted paintings for their new private bank in London. It now numbers 600 works of Scottish painting dating from 1633 to the present day. When the Flemings sold the bank in 2000 the Collection was vested in a foundation which pays for the care and enhancement of the Collection and the promotion of Scottish art and creativity outside Scotland.

Moderator:

NATHANIEL HEPBURN, outgoing Director of Ditchling Museum of Art and Craft in East Sussex and from October 2017, Director of Charleston Trust.

LARA WARDLE, DIRECTOR,

Jerwood Foundation
and Jerwood Collection

Jerwood is a private collection which was formed twenty five years ago under the direction of Alan Grieve, Chairman, Jerwood Foundation, and continues to grow. Part of the Collection is on public display at Jerwood Gallery in Hastings alongside a temporary exhibition programme.

The gallery, which was built by Jerwood Foundation and opened in March 2012, is a UK Charity and has been selected as one of Arts Council England’s NPO organisations 2018-2022. As part of an extensive loans programme, works from the Jerwood Collection are lent to a number of exhibitions nationally. An important part of its remit is to be proactive in developing opportunities to collaborate with public and private collections to enhance the enjoyment and understanding of modern and contemporary British art.

Session 3:
**Government Incentives
for Acquisitions**

Panelists:

Catherine Higgs, Senior Manager,
Collections and Cultural Property,
Arts Council

Anastasia Tennant, Senior Policy Advisor,
Collections and Cultural Property,
Arts Council

In this session, Catherine Higgs and Anastasia Tennant, shared practical information on both the Government's the Acceptance in Lieu (AIL) scheme and the Cultural Gifts Scheme (CGS).

Acceptance in Lieu (AIL)

AIL enables owners of important works of art to transfer these objects to UK public museums, archives or galleries in lieu of payment of Inheritance Tax or one of its earlier forms, such as Estate Duty. The person making the offer must have a tax liability in order to offer property against. In most cases a liability arises in the case of a death, but there are other occasions such as the sale of a property which has been conditionally exempted from tax in the past. A requirement for conditional exemption is that public access has to be provided, and this is often via a loan to a public museum or gallery.

So if an owner sells conditionally exempt property that triggers a charge to tax and they can then make an offer in lieu of payment of that tax. (Land and buildings can also be accepted but different procedures apply and here Higgs is only dealing with offers of cultural property.)

Cultural Gifts Scheme (CGS)

CGS runs in tandem with AIL and shares many similarities, but also has some significant differences. It was introduced in 2013 by the UK Government to encourage philanthropy and lifetime giving.

Profile Raising

Tennant emphasised the importance of raising public awareness of AIL and CGS schemes, and their attendant tax benefits. On the most basic level, as private owners who might donate to museums are generally themselves visitors to museums and galleries, she pointed out that a condition of allocating objects accepted under AIL or CGA to public museums or galleries is that their display labels fully acknowledge these schemes. This labeling requirement also applies when such items are loaned to other institutions, thus making wider audiences aware of AIL and CGS schemes and their benefits.

While curators cannot be expected to keep abreast of detailed intricacies of tax legislation, Tennant underlined the importance of suggesting to potential donors that their tax advisors explore the various tax ramifications – or contact the Arts Council for a more detailed breakdown.

“You’re the art historians, the specialists and the curators, who will know what types of objects qualify, but we’re here to help with the technical stuff. The trick is to spread the word and do not hesitate to contact us for help and advice.”

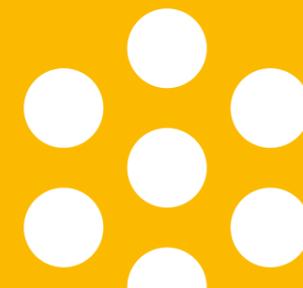
ANASTASIA TENNANT

Please see Appendices 1 & 2 for full notes on the presentations given by Catherine Higgs and Anastasia Tennant.

Session 4

Reflections on the Day

Louisa Buck



A New Stage

Last year's Going Public seminar talked about the conclusions and outcomes which specifically emanated from the first Going Public events in 2015. This year, the conversation broadened out to cover a wide swathe of UK-based institutions, individuals and circumstances, while at the same time focusing more precisely on concrete practicalities in effecting interface and relationships between private collections and public institutions.

Actively Seek Out Relationships, Relationships, Relationships

Whether it's Jack Kirkland's ongoing partnership in building up a collection in collaboration with Tate, or his declaration that he is open to talk to anyone wanting to strike up an interesting conversation, the overriding message from this day's session was that the all-important relationships that enable acts of patronage and support to take place have to be actively sought and maintained. Jo Baring, James Knox and Lara Wardle all described how they travel widely and repeatedly initiate contact with institutions and government bodies. They all said that they would welcome being approached more. But it was also agreed that different collectors – and collections – need to be approached in different ways: James Knox advocated starting with local philanthropists, while it was also noted that Going Public gained local interest by first reaching out to international collectors. The case studies offered by the three participating private collections offered valuable insight into a spectrum of different tactics and emphases. A comprehensive database listing all the UK's major private collectors and collections would be a hugely helpful starting point.

Keeping the Rigour

In his role as Chair of Nottingham Contemporary Jack Kirkland emphasised the need not to compromise the intellectual rigour of a museum or gallery's programme or to 'dumb down' and patronise non-specialist audiences. A museum or a gallery rises and falls by its programme and/or its collections and is not simply a community centre.

Financial Incentives

The session with Catherine Higgs and Anastasia Tennant provided a detailed practical toolkit for opening up a potentially rich vein of support. Enabling galleries and institutions to be more aware of the wide range of fiscal incentives that can be offered to individuals — including the large number of non domiciled residents in the UK — and to companies to sell or give to the nation's heritage will hopefully reap valuable dividends. Despite the bleak economic climate there is still much to tap into. The apparent eagerness of HMRC to make these incentives available was also encouraging, as was the willingness of the Arts Council to offer practical and pragmatic support.

Opening Up the Territory

Philanthropist and patron are grand terms that many potential donors and supporters of galleries and museums might balk at. It is up to museums and galleries to educate their supporters in the value of giving at all levels, from modest to substantial. This might involve working closely with trustees or local communities to overcome preconceptions around what might constitute a collection, an important object or an important donation. Size isn't everything. The labeling of objects which have been acquired through one of the many HMRC incentives is another way to spread the word to gallery goers and make them realise the many different routes by which objects enter institutions. On a fundamental level, it is crucial to make sure that a local community has a sense of ownership of its institutions. Schoolchildren often form the best ambassadors in bringing their families in to galleries and also might be the patrons of the future. It is never too early to start building support!

Appendix I

Notes from presentation given by Catherine Higgs, Arts Council England

WEDNESDAY 20 SEPTEMBER 2017
MILLENNIUM GALLERY

I'm going to talk to you about the various government schemes that exist to support acquisitions. I'm going to begin by giving you a basic outline on how the schemes work and the related benefits and then Anastasia, who is our resident tax expert is going to talk about some of the more technical aspects of the schemes and how you can take advantage of these.

So I'm going to begin by talking about Acceptance in Lieu or what we commonly refer to as AIL and then I'm going to move onto the Cultural Gifts Scheme.

AIL enables owners of important works to transfer such objects to UK public museums, archives or galleries in payment of Inheritance Tax or one of its earlier forms, such as Estate Duty. For the purposes of this talk I'm just going to refer to Inheritance Tax. The person making the offer must have a liability to Inheritance Tax in order to offer property against. In most cases a liability arises because there has been a death but there are other occasions, such as a sale of property which has been conditionally exempted from tax in the past. I'm guessing there are probably a number of works which have been conditionally exempted from tax which are on loan to the museums and galleries which many of you work for. For conditionally exempt objects there is a requirement for public display and this is often via loan to a public institution. If an owner sells conditionally exempt property they trigger a charge to tax and can make an offer in lieu against the liability. Land and buildings which are important to the national heritage can also be accepted

but different procedures apply. We only deal with the offer of cultural property and that is what I'm going to talk to you about today.

WHY GO DOWN THE OFFER IN LIEU ROUTE?

For owners, an offer in lieu will normally be of greater financial benefit than a sale on the open market. Generally, an object is worth around 17% more if it is offered in lieu of tax than if it is sold on the open market at the same price.

There is a degree of certainty with an offer in lieu that you don't necessarily get with a sale on the open market. Once the Panel has agreed the value at which it can recommend acceptance at the owner knows the value whereas with a sale on the open market you are always at the mercy of the vagaries of the art market, one day the object may fly, another day it may not sell. The Panel's role is to recommend a fair price so where it considers the offer price too low or too high it will recommend an increase or decrease but the owner will always be informed of the figure that the Panel can recommend and it is up to the owner to decide how they would like to proceed. Considerations of an offer in lieu are confidential whereas a sale on the open market is by its very definition public.

Another benefit to owners is the knowledge that the object has been secured in perpetuity for the nation and can be enjoyed by the millions of people who visit the UK's museums, galleries and libraries.

For museums, galleries and libraries, the primary benefit is that, in the majority of cases, they receive an important object at no cost to them. I say the majority because each year there are a handful of what we call hybrid cases. Sometimes the object that is offered has a higher tax settlement value than the offeror's tax liability. In these situations, the institution that wishes to acquire the object has to pay the difference between the open market value and the tax liability. In some cases offerors agree to forgo the excess and in the last year, we've witnessed several offerors generously waiving an excess so the institution does not have to raise any funds.

Objects which may already have been on long-term loan can be acquired and objects of local interest can be retained, provided that they meet the criteria of AIL, which covers both national and local significance.

WHAT KINDS OF PROPERTY CAN BE ACCEPTED?

The sorts of property which may be accepted are:

Objects of pre-eminent importance on the grounds of their national, local, scientific, historic or artistic interest or collections of these sort of objects

Do not be daunted by the word pre-eminence. It can be interpreted in many ways. Anyone who has seen one of our annual reports will know that the range of objects which are accepted is incredibly diverse and ranges from furniture to sculpture, 20th century ceramics, old master drawings, paintings by living artists, prints, posters, ephemera, archives, manuscripts, and even a steam engine.

Objects associated with an important historic building in public ownership or belonging to certain bodies such as the National Trust can also be accepted.

Some objects are accepted because of their place in an important historic house in private ownership. In these cases, the ownership of the item accepted passes to a public museum which agrees to lend the object back to the house in which it has previously been situated. In situ arrangements are built on the premise that there is a significant added value for the visitor in seeing the objects that have been accepted in the context of the house for which they were created or in which they have long resided.

HOW DOES AIL WORK?

Offers in lieu are made to HMRC. Offerors will need to include a description of the object, provenance, a high resolution JPEG image of it, a valuation and a justification of the value and an explanation as to why the object is considered pre-eminent – curators can often help offerors with this statement. Offerors will also need to provide some tax information to HMRC. HMRC will then refer the offer to the Acceptance in Lieu Panel which consists of 12 independent experts. Panel members include former Directors of National Museums, curators of non-national museums, art historians and members of the art trade. For each offer the Panel seeks advice from at least two experts in the relevant field, one academic and one commercial. Guided by that advice, the Panel recommends whether or not the object is pre-eminent, in acceptable

physical condition, the fair market value of the object and whether the allocation condition or wish is appropriate.

The Panel's recommendations are made to the Secretary of State or the appropriate Minister in Scotland or Wales who decides whether or not the object should be accepted.

Acceptance will also depend on whether there are funds available in the annual budget of £40m for both AIL and CGS. The £40m refers to the amount of tax that can be forgone under both schemes so the total value of the objects that can be accepted is actually far greater.

If the offer is made with a condition as to allocation and this is agreed then the object will transfer to the institution upon completion of the offer. If the offer is made with a wish then the object will be advertised on the Arts Council's website and the relevant institution will be asked to apply. Other institutions are free to apply but the Panel does not lightly disregard the wishes of the offerors. The Panel must have a very good reason if it decides it cannot recommend allocation to an offerors preferred institution, such as, for example if the museum could not provide appropriate public access. The expectation is that the object will have open public access for at least 100 days a year, subject to any conservation constraints. Any objects which have been accepted in lieu without a condition or a wish will also be advertised on the Arts Council's website but these offers are not that common.

SO WHAT IS THE CULTURAL GIFTS SCHEME?

The Cultural Gifts Scheme, which for the purposes of efficiency I'm going to refer to as CGS, runs in tandem with AIL and shares many similarities but it also differs from AIL in a number of ways. It was introduced in 2013 by the UK Government to encourage philanthropy and life-time giving.

WHY GO DOWN THE CGS ROUTE

CGS enables owners, to donate important works to the nation and in return they receive a tax reduction based on a set percentage of the value of the object they are donating. This is:

- › 30% for individuals against Income Tax and Capital Gains Tax and the reduction can be spread across a maximum of five tax years.
- › 20% for companies, to be used against Corporation Tax – companies cannot spread the tax reduction over a number of years, it can only be used in the accounting period in which the application was received and registered.

The donor will not be liable for Capital Gains Tax or Inheritance Tax on the gift and they will be able to see, during their lifetimes, their objects placed in a public institution of their choosing and enjoyed by members of the public.

Similarly to AIL, the primary benefit for a museum, gallery or library is that it receives an important object at no cost to it. Additionally, objects which may already have been on long-term loan can be acquired and objects of local interest can be retained.

WHAT KINDS OF PROPERTY CAN BE OFFERED?

The same types of objects as for AIL and the same criteria apply. Objects which are associated with an important historic building can also be accepted. As with AIL we have accepted an incredibly diverse range of material from a collection of Victorian paper peepshows, Italian 20th century photographs, political posters, to a Van Gogh portrait and a 19th century cast iron ceiling.

HOW DOES CGS WORK?

For cultural gifts applications are made direct to us at the Arts Council. Application forms can be found at the back of the DCMS Guidance on the scheme available to download from the Arts Council website. And, as with AIL, applicants will need to include a description of the object and provenance, a high resolution JPEG image of it, a valuation and a justification of the value and an explanation as to why the object is considered pre-eminent – again, curators can often help applicants with this. The same Panel is responsible for advising Ministers on Cultural Gifts. As with AIL, the Panel will always seek advice from experts in the relevant field. Applicants can express a wish as to which institution they would like the object allocated to.

In all cases to date the wishes of applicants have been adhered to. However, if for any reason the Panel considers the applicant's preferred institution is not appropriate, we will always discuss the allocation with the applicant in order to find an agreeable alternative. Any gift which is made without

a wish as to allocation is advertised on the Arts Council website. To date we have not received any gifts without a wish as to allocation. In our experience donors generally have a pre-existing relationship with the museum which they want to gift the work to and curators are involved in the process from an early stage.

In the last five years hundreds of objects worth over £200million pounds came into public ownership through AIL and CGS, which represents a significant contribution to the UK's public collections. They provide one of the principal ways in which public collections across the country can acquire significant works, in the majority of cases at no cost to the institution.

Directors, Curators and Development teams are often the essential link in offers coming forward. As you will see from our annual reports there are a number of institutions who regularly benefit from the schemes. Often the reason for this is that the Directors and curators at these institutions are familiar with the schemes and have been cultivating offers over many years. As I've said, it is rare that we receive offers without a wish or condition to a specific institution. The schemes themselves are straightforward, you do not need to be a tax expert to understand how they work and the benefits of using them – unlike my esteemed colleague here I am no tax expert. And if there is something you don't understand pick up the phone and give us a call or ask owners to get in touch with us directly to talk through any queries they may have.

Appendix II

Notes from presentation given by Anastasia Tennant, Arts Council England

WEDNESDAY 20 SEPTEMBER 2017
MILLENNIUM GALLERY

The brief we were given was that the aim of today was to help you improve your knowledge about working with private collectors and growing your confidence in the sector to enable more fruitful private/public collaborations. Catherine has outlined the AIL and CGS schemes and given details of recent acquisitions under them. Although we ensure that the auction houses and the major private client solicitors and advisers are fully aware of the schemes and the benefits that they offer to their clients, it is important that gallery visitors are also made aware of them. Those private owners who have collected works that might make a suitable future acquisition for UK museums are themselves likely to be visitors to museums and galleries so when we allocate objects accepted under AIL and CGS to museums we ask that the schemes are properly acknowledged in the gallery's labelling. When such items are lent for exhibition this provides a fresh opportunity to make a new audience aware of the benefits of the schemes and we ask that any such loans are subject to the same labelling requirement.

Catherine has outlined the basic tax incentives for both these schemes: there may be more for example a company donating an item under CGS gets 20% off its corporation tax (the rate is currently 19% and set to reduce to 17% from 1st April 2020); with hybrid offers the offerors can and sometimes have gift-aided the excess to enable the museum to pay the difference. The tax legislation is such that it would be impossible to expect you to keep all these reliefs and incentives at your fingertips: that is for us and the professional advisers

but what you need to do is to tell people (potential donors and owners of works of art etc that you consider national treasures) that there are incentives built into the tax system and remind them to consider them and ask their advisers or us to explore them.

I have one recent example (not yet announced so cannot identify) which involved a private treaty sale (which is a tax free sale to a museum and which I will explain below) where the curator had heard about the incentive at a talk like today and mentioned it to an owner who had a painting on loan and was thinking of selling it. The owner got in touch with us and even though the net benefit was not huge as there was not a great deal of latent tax involved there was an added benefit in that they could pass on the proceeds entirely tax free to their children and did not need to survive the sale by 7 years (if someone makes a gift to e.g. their children and does not survive it by 7 years it is usually taxable): this clinched it and the sale went through. That owner then told another 2 people who they knew who had items on loan: they are now following suit.

The trick is to spread the word and do not hesitate to contact us for help and advice as that is what we are here for to help with the technical stuff: you are the art historians and specialists who will know what types of object will qualify.

As I said above it is exhibitions and loans that can be the starting point of such collaborations. I will go back to the beginnings of Government policy in this area to explain why.

Successive governments have recognised the need for special reliefs if important collections of heritage chattels and other property of heritage interest are not to suffer fragmentation from tax-driven sales especially following a death, this to the disadvantage of the community as a whole. So far as chattels are concerned the reliefs are also perceived as a part of the defence against the outflow from this country of important works of art. The **PRIMARY** aim of the existing legislation and HMRC practice is to enable heritage chattels to remain in private hands, subject to the owner assuming obligations as to preservation, retention in the UK and the provision of public access (this is achieved through conditional exemption from IHT (**SECTION 31 IHTA 1984**) and CGT (**SECTION 258(2) TCGA 1992**)).

When an owner has decided to sell, the tax system gives them a financial incentive to sell to a UK public museum or other organisation which holds heritage objects for public enjoyment.

In the case of Conditional Exemption the incentive operates during an individual owner's lifetime and may be passed on to his or her heirs. What is offered is exemption from inheritance and capital gains tax in respect of objects which the owner undertakes not to sell and to which he or she must provide a set minimum amount of public access each year. To qualify for Conditional Exemption objects must be pre-eminent (or historically associated), and public access must be provided – usually a minimum of 28 days in the case of items held in relatively small private houses. The Exemption lasts only

for as long as an object is not sold or the undertaking to give public access to it is not breached.

Since 1998 all objects exempted are listed on HMRC's Heritage Assets database; those exempted before that date are also listed insofar as they are not in buildings which are open to the public. So it is a good idea to consult this list – it can provide sources for loans and if you want to inspect anything the owners have to provide access to you to do so. Also as part of their undertaking they agree to:

(c) to take the following steps to secure reasonable access to the public:

(i) to allow the public to view each of the Works of Art without a prior appointment at XXX, on XX days each year ("the access days") between Easter and the end of September, including weekends and bank holidays.

(ii) to notify HMRC Inheritance Tax ("HMRC/IHT") of the access days for each forthcoming year no later than the end of the preceding October.

*(iii) at all other times to make each of the Works of Art available either to the public to view with a prior appointment **or to curators of appropriate public collections on loan for special exhibitions.***

(iv) to provide images of all or any of the Works of Art on request to curators of public collections or direct them to a place where such images are available; and in either event to notify them that these Works of Art are available for loan in accordance with subparagraph (iii) above.

Owners of these objects are therefore keen to fulfil the public access obligation and one way of doing so, which is the most common, is by way of loan to a museum or gallery either long term or for e.g. 3 months in every three years (the lengths vary). For some time owners have been finding it hard to find museums to agree to such loans and that was one of the reasons Weston Park in Shropshire started its heritage services which, inter alia, offer public access opportunities for owners of Conditionally Exempt chattels using Weston Park's Granary Art Gallery. I hear that more private houses like Weston Park are going to offer such services so an opportunity maybe for museums to get in on the act.

Borrowing such items is a first step in building relationships with the owners. In addition, even where items are not exempted, owners of works of art are keen to lend to museums as their objects will acquire exhibition history and more kudos (usually public exhibition equates to a rise in value) so you will be doing them two favours in addition to saving them from having to look after the objects whilst they are on loan. This is worth bearing in mind and when agreeing loans you might want to ask them if they have ever considered offer in lieu or tax free sale to a museum and ask them to bear these in mind. You can even try to factor in a clause in the loan agreement that the gallery is given right of first refusal as owners of exempted objects have to give ACE three months' notice of sale.

If the owners then have to sell exempted objects (or even any objects so long as they are either pre-eminent or historically

associated) the tax code offers incentives to dispose of them to UK museums either under AIL or, if there is no charge to IHT, under what is commonly called a tax free private treaty sale.

Private treaty sales – are sales negotiated privately to those bodies listed in Schedule 3 of the Inheritance Tax Act 1984. Broadly all national museums, museums under local authority or university control, the National Trust, NTS, Art Fund, NHME, any university and, from 15 September 2016 those museums and galleries that had been maintained by a local authority or university but are now constituted as independent charitable trusts e.g. Pallant House.

Such sales are exempt from capital taxation (IHT and CGT and since April 2009 Corporation Tax on companies' gains). This is whether the sale is by an individual; joint owners; trustees or a company. Museums and galleries which are not Schedule 3 bodies can still benefit from the tax concessions – HMRC has confirmed that it is acceptable for a Schedule 3 body to “front” the purchase on behalf of a non-Schedule 3 acquiring institution dependent upon the latter's suitability and on its preserving the property for public benefit. This is most often the Local Authority (Surrey CC fronted the Watts) or the Art Fund (which fronted the acquisition of Dumfries House and the Bouts which was bought by the Bowes).

The exemption is attractive for both buyer and seller and applies to all objects that have previously been exempted from IHT, EDD or CGT (on the calculation you will note that the museum pays £34,500 less and the vendor receives £11,500 more.

The exemption also applies to objects which although not exempted satisfy the criteria of pre-eminence or historical association on which conditional exemption is based. Here the museum pays £7,500 less and the vendor gets £2,500 more.

The benefit of the tax exemption is shared between the vendor and the museum under an administrative arrangement known as the “douceur”. It is usually 25% to the vendor and 75% to the museum for chattels (10% for land and buildings) but unlike AIL it is negotiable: a higher figure than 25% might be appropriate to provide an adequate inducement in respect of low value items or where the tax liability is relatively small; a lower one in relation to high value items: this could still be attractive to the owner and could bring it within the financial compass of a public purchaser. To satisfy itself that the rate of douceur it is offering and that it is acquiring the object for a fair price, the institution should consult ACE and HMRC, with the vendor's consent, during negotiation of the Special Price and before the transaction is concluded.

HOW IT WORKS

We need to do more to make museums and advisers aware of the tax concessions available for heritage objects so that they in turn can tell the owners. I often get called at the eleventh hour by museum purchasers who are filling in their funding applications and have only just become aware of the possibility of these benefits from e.g. the Art Fund's application form which has a specific question.

The first thing to ask when dealing with potential acquisitions is what the tax consequences of a sale would be: would there be CGT; has the item been exempted previously and if so when and at what rate; has there been a recent death. If there are any capital tax consequences then it is likely that there would be a benefit from a PTS or it might be possible to do an offer in lieu.

Steps to be taken: Agree an open market value and if relevant a base value for CGT (e.g. in cases where no value had been agreed because the object had been exempted or where the base value is the estimated value as at 31 March 1982). HMRC does not get involved in agreeing the latter – it is entirely a matter for the parties. ACE can assist museums.

Agree the special price – the potential purchasing body will need to know how the calculation will be affected by the vendor's tax position so HMRC has to be authorised to disclose information relevant to the sale to the purchasing body on a strictly confidential basis.

If the object has not been exempted previously but is capable of so being then that question will be referred to ACE for pre-eminence by HMRC and the owner and museum should send a colour photograph and a justification of pre-eminence to HMRC with the SP calculation.

If the item was previously exempted you need to establish the rate of tax: if exemption was in relation to a death or occasion in 1976 or later 40%; if before the owner needs to get the rate from the Heritage Team at HMRC and provide

evidence of it to the museum or give the museum clearance for it to be given the figure.

You then calculate the net Special Price (the price net of tax plus the Douceur) taking into account the vendor's tax rates and we can assist with this.

HMRC Heritage Team is asked to check the Special Price calculation and confirm that a sale at that figure to X body will be tax free. HMRC's confirmation letter and the calculation will need to be disclosed to the acquiring body and to all funding bodies before the sale can be completed.

ADVANTAGES FOR THE OWNER: owners might think that they will get the best return by an open market sale. But a PTS to a qualifying public collection offers a more certain return; it will normally be of greater benefit to the owner than a sale that entails payment of capital taxes; it also enables the seller (with the help of the acquiring institution) to ensure that a part of our national heritage is retained in this country. Such sales are exempt from tax and do not need to be included in the vendors' tax returns.

When approached by owners it is usual to produce two calculations, one with the benefit of the douceur, the other showing them what they would get from a normal sale – we can do these.

Given the low CGT rates there may not be a great advantage at present depending on the latent tax and rarely a vendor's tax affairs might militate against a private treaty sale depending on the arithmetic, but since 2009 a sale to a Schedule 3 body of a qualifying non-exempt object is CGT

free under statute so it is important for acquiring museums to check the tax status of vendors beforehand to ensure proper calculations are produced.

There are cases where added inducements are needed, either a lesser douceur or taking into account the annual exemption which is not usually available for such tax free sales.

As I said above, there is also another possible advantage from a private treaty sale in that proceeds (all or part of them) from it can be passed on, either outright or in trust, to next generations. The donor does not need to survive such transfer by 7 years if a PET, nor does it affect their cumulative total if into a trust although transfers into trust are more complex.

In both cases you have to get clearance for the proposed scheme from HMRC beforehand. Once HMRC has agreed, the transfer of all or part of the object must be completed before its sale to the museum and payment should be made to the transferee/s. If you would like more info on this let me know.

The fact companies can now also benefit is not widely known – this development is of particular interest to the NT/Historic Buildings and Monuments Commission when purchasing land, buildings and chattels from companies. It also offers an inducement to corporate owners of historic buildings, outstanding land and pre-eminent or historically associated chattels e.g. to companies with their own art collections and those owning heritage properties such as historic house hotels, to pursue the possibility of a PTS. Here indexation is brought into account.

Export deferred objects can also be bought by Schedule 3 bodies in a tax efficient way: when an object is under export deferral there is no longer the need for an inducement to encourage owners to sell to the nation as those owners will have invariably already agreed the sale before applying for a licence; as such, Schedule 3 bodies can buy such objects at the net of tax price there being no need for a douceur. This is called a compensating net of tax offer and recent acquisitions include the Bouts and the Lorenzetti acquired by the Ferens in Hull.

Funding – in addition to the funding bodies, potential private donors can give cash to museums to purchase heritage objects and get gift aid on the cash donation; they can give shares; or they can buy the object and give it under CGS – need to calculate which gives the best result.

Companies can also give cash and shares to museums and receive relief whereby the donation is set against their profits (i.e. pre-tax income) for corporation tax purposes.

Resident non-doms are also liable to UK CGT on UK situs assets and UK IT on UK income and on worldwide income and gains if they elect not to pay the Remittance Basis Charge so they too can benefit from gift-aiding cash for acquisitions; even if they choose to pay the RBC that too is available to cover/frank Gift Aid donations. The first-ever official figures regarding UK non-domiciled individuals indicate there were 85,400 resident non-doms in 2014–2015, of whom 54,600 were claiming taxation on the remittance basis. Resident non-doms paid a total of GBP8.7 billion in UK income tax and national insurance contributions, and GBP250 million in

capital gains tax. So a whole new source of potential funding or gifts as they can also do a Cultural Gift to frank the remittance basis. It will depend on the arithmetic as for higher rate taxpayers gift aiding the cash will probably give them a better return but worth bearing in mind.

Other little used reliefs are payroll giving (or Give As You Earn – same benefits as Gift Aid but done through employer rather like tax under PAYE - so the employee company also partakes in doing good for society as part of its corporate responsibility); and gifts of shares and property (in 2017 this is projected by HMRC to be only £70m and this is despite the fact that, unlike Gift Aid, the relief for individuals can be up to 45% where they are an additional rate taxpayer). Unlike Gift Aid the full benefit of the reduction (the relief reduces an individual's income tax liability and is in addition to the exemptions from CGT and IHT) is received by the donor. A similar relief is available to companies giving qualifying shares or land/buildings to charity.

I was doing some research recently following the infamous Pontormo case into what tax incentives are provided in other countries for the acquisition of national treasures and I want to mention briefly a public/private collaboration in Lyon: I was told that the former Director of SEB formed a club with another 10 company presidents there and they each give €50,000 per annum to the Lyon Museum on which they get a tax deduction (admittedly the rate is higher in France but the kudos will be the same).

Lyon Museum keeps these donations as an endowment fund for acquisitions – see <http://www.thearttribune.com/The-Lyon-Museum-Finally-Acquires.html>. It is called the Club du Musée Saint Pierre, which was founded in 2009 after the acquisition of the Poussin, and it now includes sixteen members. This Club has enabled the Lyon Museum to acquire several paintings, including three by Pierre Soulages and one by Ingres.

Italy has also recently introduced Art Bonus, which it describes as a new favourable tax regime for those who support culture with charitable donations. It is a tax credit equal to 65% of charitable contributions that individuals or companies make in favour of public cultural heritage. The website for it says that “**ART BONUS** is revolutionary for our country, which has a unique cultural heritage”.

Now every citizen can contribute to protecting Italy’s cultural heritage, and passing it on to the next generations with this simple gesture. With a donation, you receive not only a tax advantage but also the pride in taking care of the Italian cultural heritage.

The tax credit “**ART BONUS**” is granted to individuals, to non-profit organisations and businesses for charitable contributions for the:

- › maintenance, protection and restoration of public cultural works (eg. monuments, historic buildings, works of art);
- › support of public cultural institutions (eg. museums, libraries, archives, archaeological areas and parks), opera/symphonic foundations and traditional theater;

- › realisation, restoration and upgrading of facilities of public institutions dedicated to performances.

In the UK it has long been recognised by Government that it needs to use fiscal measures in order to preserve essential elements of our national heritage. As Lord Winstanley stated at the time the National Heritage Bill was being read in 1979/80 (http://hansard.millbanksystems.com/lords/1980/feb/12/national-heritage-bill#S5LV0405PO_19800212_HOL_144) and as is still true today “*We live in a world nowadays in which it is not possible always to get people to do things in the national interest by telling them to do them, by legislating that they should do them or merely by persuasion. We are not in a world now in which many people can automatically afford to make grand gestures by bestowing land and their own personal property on the nation for preservation. We must, I think, make a proper use of fiscal measures*”. So I repeat, these are available but not being used to their fullest and the main thing for you to do is spread the word that fiscal measures do exist.

IN SITU OFFER IN LIEU

I’m going to finish on a recent case from the UK of two public/private collaborations: the Castle Howard *in situ* acceptance in lieu last year of the portrait of the 5th Earl of Carlisle by Reynolds (allocated to Tate) and this year of the antiquities (allocated to Liverpool).

In situ offers are a vital method of ensuring that key components of major collections of works of art are kept together. It has sometimes been argued that the British Country House and its ensemble of

collections, park and gardens are one of Britain’s most important contributions to the arts and the economy. Visits to them are certainly among the nation’s most popular leisure activities and form a significant part of overseas tourists’ programmes. Houses denuded of key contents would, however, be much less attractive, which is why the *in situ* scheme is so important. According to Historic England’s ‘Heritage Counts’ the annual audit of England’s heritage – key findings include: historic sites are attracting more visitors: in total, domestic and international heritage-related visits generated £18.4bn in expenditure in England in 2014. Visit Britain predicts that Britain will have a tourism industry worth over £257 billion by 2025.

These houses and their collections, must continue to be available as essential parts of the tourist scene, as providers of rural employment and as, in effect, regional museums offering a cultural experience to millions of visitors who would hesitate to enter their local museum or gallery.

This is where *in situ* comes in: it permits the retention of the object in its historic setting by way of a loan back from the owning museum (in the 2 cases I mentioned Tate and Liverpool) to the owner of that building (Castle Howard). It is not all extra responsibility for the museum: the former owner takes on extra responsibilities for security and access while losing the right to enjoy any capital appreciation at a time of rising prices in the art market. The museum gets the object and in the last 3 cases the offerors (private owners) have either paid for stabilisation works

beforehand or entered into binding commitments to contribute towards them and in all cases they have agreed to collaborate and assist with future projects and exchanges and national and international loans. In another recent *in situ*, of two marble busts of Roman Emperors Commodus and Septimius Severus allocated to the Fitzwilliam and lent back to Houghton the Fitz held an exhibition earlier in the year: Houghton’s Emperors: Portraits and power accompanied by lectures and talks given by Mary Beard and Lucilla Burn that were very well attended.

For geographical reasons the local museums are probably better suited to be entrusted with responsibility for *in situ* works of art unless they are of such outstanding importance that the appropriate national museum must be involved so I keep telling owners’ professional advisers that it is in everyone’s interests for owners to foster relations and partnerships with local museums for the benefit of both and the community.

I end with an *in situ* of a pair of pier glasses allocated to York and lent back to Newburgh Priory: it was concluded in 2004/5 after prolonged negotiations – it took over 9 years; the Reynolds and the two busts took 6 months. At the time the Newburgh Priory acceptance was announced the AIL Panel said “*We welcome this example of an in situ arrangement at a property of this size because we consider that there are important contents in many smaller historic houses throughout the country.*”

I hope we have given you some useful tips and food for thought and as I said do contact us with any questions: we are here to help.

ADDENDUM: Where a company provides an employee to work or volunteer for a charity on secondment or a temporary basis, the company can continue to deduct the costs of the employment, including the employee's salary for tax purposes. This applies to sole traders, trading partnerships and companies with a trading or investment business. The company can deduct any costs as normal business expenses if:

- › it temporarily transfers an employee to work for a charity (known as a 'secondment')
- › an employee volunteers for a charity in work time

The company must continue to pay the employee and run Pay As You Earn (PAYE) on their salary. But it can set the costs (including wages and business expenses) against its taxable profits as if the employee were still working for it. <https://www.gov.uk/hmrc-internal-manuals/business-income-manual/bim47115>

So auction houses or dealers could second an employee to a museum (e.g. to do an exhibition or a project) and this could be a new way of collaborating with the art

market and exchanging knowledge and information.

I hope any guidance I have provided is helpful. However I am not a practising solicitor and do not provide legal advice. To ensure that your own circumstances are fully assessed you should refer to your usual professional advisers.

List of Works Kirkland Collection, Graves Gallery, 2 Sept – 2 Dec 2017

Study for Triadic II, 1969

ANNI ALBERS
gouache on paper (blueprint)

Homage to the square: "Post Autumn", 1963

JOSEF ALBERS
oil on masonite

Nineteenth Copper Cardinal, 1975

CARL ANDRE
copper, in nineteen parts

New Industrial Parks - Complete Works, 1974

LEWIS BALTZ
51 gelatin silver prints

Menu in progress, 2005

ABRAHAM CRUZVILLEGAS
61 boxes; acrylic paint on cardboard, wood, paper, plastic and polystyrene

PI, 2011

LARA FAVARETTO
iron scaffolding tubes, wool

the diagonal of May 25, 1963, 1963

DAN FLAVIN
warm white fluorescent light

Untitled, 2013

CARMEN HERRERA
acrylic on paper

Untitled, 1986

DONALD JUDD
cor-ten steel and purple plexiglass

Metaesquema, 1958

HELIO OITICICA
gouache on cardboard

Black, ca.1954

AD REINHARDT
oil on canvas in artist's frame

Red Overture, 2012

BRIDGET RILEY
oil on linen

How Red and Blue Become Yellow, 1971

RICHARD TUTTLE
gouache on bond paper

STA Alpha II, 1978

JACK WHITTEN
acrylic on canvas

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