



## **Statement from V&A Executive Board on Redundancy Consultations**

It is with deep regret that we announce that the V&A is entering into a period of collective consultation on proposed redundancies, a very difficult decision made as a result of the ongoing impact of COVID-19.

This position would have been unimaginable at the start of year. 2020 followed the V&A's three most successful years on record, an ambitious programme of exhibitions lay ahead, and we had built the V&A's self-generated income to 55% of our annual turnover. However, five months of closure, the collapse of the in-bound and domestic tourism market, and reduced audience capacity and demand due to social distancing measures have severely impaired our ability to self-generate income through ticket sales, membership, retail, licensing, publishing, and corporate hire, meaning the V&A – along with so many others in our sector – has been particularly badly affected.

Despite a wide range of cost-saving measures already taken this year, the V&A is now facing the most significant financial challenge in its history. With visitor figures currently down by 85% and likely to remain severely depressed for some time, we anticipate that our financial recovery will take several years, and are facing the very real prospect that we might never return to the level of visitation and associated income we were able to generate pre-COVID-19.

Since the start of the pandemic, we have taken every step to reduce costs and mitigate the impact of COVID-19. This has included cancelling or postponing large sections of our public programme, reopening the museum in phases rather than in full and using our general reserves to stem the initial impact of closure. We took full advantage of the Government's Job Retention Scheme, furloughing the vast majority our workforce, implemented a recruitment freeze, cancelled all staff bonuses, cut operational budgets and have reduced our opening hours to 5 days a week.

The V&A was very fortunate to benefit from emergency in year support from Government, which gave us a crucial lifeline and some time to stabilise and plan, but unfortunately this only supports us for this financial year and not beyond March 2021. We continue to seek out all opportunities to raise funds independently and are extremely grateful for the continued support from our donors, members, corporate partners and sponsors, all of whom are essential to our recovery. With the furlough scheme now coming to an end, we are sadly in a position where our commercial and charitable revenue sources are still heavily reduced and other options to cover our costs are exhausted.

We are left now with no choice but to review our operations and reduce the scale of our organisation overall, as part of ongoing efforts to reduce costs by at least £10m annually going forwards. This review process will involve staff at all levels across every department in the museum and will take place in phases over the next 6-9 months, with the first phase starting today.

Given the enormous contraction of our business as a major cultural attraction, significant reduction in visitors and our move to a 5-day operation, we will begin a collective consultation process in October with colleagues in Retail and Visitor Experience. During this process we will work closely with Trade Union colleagues, employee representatives and individuals in our front of house teams to ensure the consultation process is meaningful and transparent. The restructuring proposals include a reduction of 85 full time equivalents (FTE) across both teams, which equates to 103 roles or 10% of the V&A's overall headcount. Final decisions will be made once the consultation is complete. We also intend to launch a Voluntary Options scheme, open to all employees across the museum.

The loss of any V&A colleague will be devastating for us all and cuts particularly deep after the turmoil of the past six months. The creativity and resilience of our teams has played such a critical part in managing through the challenges of lockdown and delivering a successful relaunch, so it is with heavy hearts that we have come to this very difficult decision.

**Tristram Hunt, Director of the V&A, on behalf of the V&A's Executive Board and Trustees:**

*“The V&A started 2020 with huge hopes for the year ahead, following three of the most successful years in our history. These deeply difficult decisions would have been unimaginable then, but COVID-19 has had a huge impact on the V&A, our finances and the cultural sector more widely. In order to secure the V&A's survival and prepare for the challenging years ahead, it is with great sadness that we are now forced to enter into consultation on proposed redundancies across the V&A.*

*Every colleague plays a vital role in the success of the V&A – their creativity and expertise are unparalleled, and the loss of their institutional knowledge will be felt for years to come. We will do everything we can to consult on openly and transparently, to support our staff community during this exceptionally difficult time, and to rebuild the V&A once more.”*