

FUNDING AGREEMENT

Between

**Department for Culture, Media and Sport (DCMS) and the
Museums, Libraries and Archives Council (MLA)**

2008/09 - 2010/11

1. Introduction

This agreement is between the Department for Culture, Media and Sport (DCMS) and the Museums, Libraries and Archives Council (MLA) for the funding period 2008-11.

MLA is a company limited by guarantee with charitable status and is sponsored by the DCMS. Its board members are appointed by the Secretary of State for Culture, Media and Sport. It is a non-statutory Non-Departmental Public Body (NDPB) and the lead strategic agency for museums, libraries and archives.

2. MLA

Vision

MLA's vision is to be a strategic leader; to be a source of expert advice; and to promote best practice, encourage innovation and broker partnerships that build a confident and sustainable sector.

Purposes

MLA's purposes are to:

- Be a bridge between the sector and government; leading 'business-to-business'; and helping to shape the environment in which the sector can flourish, grow and meet the 'strategic goals' (below).
- Carry out research and analysis; track socio-economic and demographic trends among visitors and users; anticipate new markets and opportunities; support innovation; and promote decision-making based on evidence.
- Advocate best practice, developing and maintaining a data base of case-studies and helping local government and other funding bodies to make the most of their investment in the sector; encouraging the improvement of standards and services for visitors and users.
- Encourage innovation and the adoption of new methods, including the development of efficient working practices, new and improved skills and integrated partnerships; identifying and reporting barriers to development and working towards sustainable solutions.
- Be a source of expertise, advice and knowledge; drawing on best practice and experience across the UK and abroad.
- Collaborate locally, nationally and internationally to advance the professional standards of the sector and its workforce; and help to ensure sustainable growth to meet the needs of people of all ages and backgrounds.

Strategic goals for the sector

MLA's strategic goals for museums, libraries and archives are that they:

- Integrate with other forms of culture, the arts, sport and local services to offer essential resources that meet the needs of people, communities and places.
- Embed excellence, scholarship, creativity and diversity.
- Innovate, are entrepreneurial and adapt to new working methods.
- Ensure sustainability and continuous improvement is at the heart of all they do.
- Broaden and deepen access to their information and resources.
- Perform to the highest levels and champion continuous professional development.
- Are engaging and enjoyable places for people to visit and use.

3. Comprehensive Spending Review 2007

The Secretary of State's letter of 19 December 2007 set out:

- the funding allocation for MLA for 2008-09 through to 2010-11
- the Secretary of State's priorities and the Departmental Strategic Objectives for 2008-11 and MLA's contribution towards their achievement

The MLA's ability to demonstrate its contribution to the delivery of DCMS's Departmental Strategic Objectives (DSOs) and applicable Public Service Agreements (PSAs) will be a factor in the Secretary of State's decisions on future allocations.

In addition MLA have undertaken to:

- comply with all legislation
- comply with the Management Statement and Financial Memorandum
- observe the requirements of Managing Public Money

4. Monitoring

The documents relevant to this agreement and against which MLA will be monitored are as follows:

- Secretary of State's Allocation letter
- Indicators of progress (Annex B)
- Risk Assessment
- Value for Money delivery plan
- Data Collection schedule (Annex A)
- Management Statement and Financial Memorandum
- Managing Public Money
- Annual Business Plans, Reports and Accounts
- Corporate plan and other strategic statements

MLA will supply DCMS each year with the regular financial information set out in the data collection schedule (Annex A) and a report against the indicators of progress (Annex B). This information, together with your Annual Reports will be used to monitor performance year-on-year. DCMS expects MLA to be able to include in its Annual Report progress against the areas that are of greatest priority to Ministers as set out at Annex B.

The level of scrutiny that DCMS will adopt in measuring performance during the period of this funding agreement will be commensurate with the outcome of regular joint risk assessment exercises. The MLA risk rating at the start of the funding period is High. This recognises: the contribution required to the delivery of DSOs/PSAs; the work that has recently been put in hand by the MLA to develop its leadership capacity and performance culture; the effectiveness of its governance and management systems; the challenging nature of the funding allocation; the relocation requirement; and the steps being taken to unify the organisation and improve its efficiency and productivity.

Based on this risk rating MLA will, in addition to the reporting at Annexes A and B, be asked to progress report quarterly on:

- Regional restructuring and unification of the MLA Partnership (MLA and the nine regional agencies it funds in substantial part);
- Progress on the approach agreed in discussions with the Office of Government Commerce on relocating MLA National posts outside of London, with no more than 25 MLA National posts to remain in London and the Greater South East by 31 March 2010;
- Forthcoming MLA Audit Committee business;
- Discussions with NAO on considerations around the level of cash held to meet grant commitments;
- Risk Register
- Principal programmes, especially Renaissance, *Find Your Talent*, *Living Places* and strategies for museums, libraries and archives

This Funding Agreement will form the basis of the agenda for twice yearly meetings between the DCMS Chief Operating Officer and the Chief Executive of MLA. The sponsorship team at DCMS will also meet on at least a quarterly basis with the Chief Executive of MLA and his wider management team, when the risk rating and reporting requirements will be reviewed.

Signed by

Date:

Margaret Hodge MP
Minister for Culture, Creative Industries & Tourism
Department for Culture, Media and Sport

Mark Wood
Chair, Museums, Libraries and Archives Council

Date:

Annex A: Data Collection Schedule

Data return description	Driver for information collection	Collection format	Frequency collected
Actual and contingent liabilities	Financial accountability	Report	Annual
Schedule 5 returns	Financial accountability	Report	Annual
Country and Regional Analysis	HMT requirement	Report	Annual
Efficiency savings	PSA/DSO target	Report	Six-monthly
Renaissance Hub participation data	PSA/DSO target	Report	Quarterly
Provisional out-turn/EYF return	Performance target	Report	Annual
End Year Flexibility Requirements	HMT requirement	Report	Annual
WGA transactions and balances returns	Financial accountability	Report	Annual
Half Year funding agreement out-turn report	PSA/DSO target	Report	Annual
Full Year funding agreement out-turn report	PSA/DSO target	Report	Annual
Trustees register of interests	Financial accountability	Report	Annual
Annual Report and Accounts (in draft)	PSA/DSO target	Report	Annual

Anti Fraud Questionnaire	HMT requirement	Report	Annual
Risk Register Pay Remit	Financial Accountability HMT requirement	Report Report	Quarterly Annual
Chief Executive Pay approval	Financial Accountability	Report	Ad hoc
Pensions Stewardship Report	Cabinet Office requirement	Report	Quarterly
Pensions Assurance Process	Cabinet Office Requirement	Report	Quarterly
Appraisal on high value projects	Financial Accountability	Report	Ad hoc
Grant-in-Aid Request	HMT requirement	Report	Monthly
Grant-in-Aid Profiles	Financial Accountability	Report	Annual
Cost benefit analysis on commercial insurance	Financial Accountability	Report	Ad hoc
Procurement performance management	Financial Accountability	Report	Annual
Procurement Strategy	Financial accountability	Letter	Annual
Procurement savings returns and updated action plans	OGC requirement	Report	Annual
Agreement of severance pay	HMT requirement	Report	Ad hoc
Value for Money return	OGC requirement	Report	Annual
3 rd Sector funding National Minimum Wage	Cabinet Office requirement HMT requirement	Report Report	Ad hoc Annual
Public Bodies Directory	Cabinet Office	Report	Annual

Annex B: Indicators of Progress

- Exercise strategic leadership in the MLA sector, locally, regionally and nationally, collaborating with NDPBs and partners in England and, where appropriate, across the UK.
- Restructure, re-organise and re-locate the MLA to sharpen effectiveness and enable greater impact on programmes across the sector of responsibility; review and recommend corresponding changes to constitution and governance arrangements.
- Lead and champion the Renaissance programme, identifying ways to develop its impact and extend its potential, and managing the allocated resources to meet specific objectives to:
 1. Increase the overall number of visits to Renaissance hub museums (baseline year 2006/07)
 2. Increase the number of visits by adults from priority groups (BME/NS SEC groups 5-8/Disabled People) to Renaissance hub museums (baseline year 2006/07)
 3. Increase the number of participation contacts between school age children in years 1-11 and Renaissance hub museums (baseline year: 2006/07)
 4. Increase the number of instances of adults and child visitors to Renaissance Hub museums participating in on-site activity (baseline year: 2006/07)
- Co-operate with local authorities and their partners to increase public library participation (baseline year: 2008/09) as measured by local area indicator NI 9.
- In 2008/09 encourage the voluntary reporting of finds through the Portable Antiquities Scheme to be maintained at a similar level to that achieved in 07/08 and ensure that an independent review of PAS is undertaken and changes implemented in order that the benefits to stakeholders relative to funding invested are improved.
- Contribute, along with other NDPBs, to the successful development of the Youth Culture Trust and the *Find Your Talent* regional pilots for young people.

- Contribute, along with other NDPBs, to the successful delivery of the action plan for the improvement strategy for culture and sport (*A Passion for Excellence*) by co-operating with local authorities and their partners in delivering outcomes for local people.
- Contribute to informed investment decision-making for new library and other cultural provision in communities experiencing housing-led renewal and regeneration through the *Living Places* Partnership.
- Deliver the *Stories of the World* contribution to the Cultural Olympiad by 2010 working with the major national and regional museums across the UK, and ensure that the MLA sector as a whole has the opportunity to take part in the Cultural Olympiad, as part of encouraging more widespread public enjoyment of culture.
- Administer the Acceptance in Lieu scheme and maintain Export Licence processing service standards (baseline 2007/08).
- Ensure that the sector is making positive strides towards having a skilled and diverse workforce through implementation of programmes for sector governance, leadership and workforce development.
- Contribute, along with other NDPBs, to the implementation of the recommendations of the McMaster Review on supporting excellence.
- Publish in 2008 (a) a museums strategy for England; (b) a public library action plan under the *Framework for the Future* banner; (c) in cooperation with The National Archives, a strategy for archives; with annual progress reports on implementation thereafter.
- Contribute, along with sector partners across the UK, to raising standards in the management, care and documentation of collections to provide opportunities for people in this generation and the future.