

Three-year Funding Agreement between NMSI and DCMS: 2005/6–2007/8

1. Introduction

This agreement is:

- Between the Department for Culture, Media and Sport and the National Museum of Science and Industry (NMSI);
- Signed by the Minister for Culture for DCMS, the Chairman of the Board of Trustees of NMSI, and by the Director and Accounting Officer of NMSI; and
- Valid for the period 1 April 2005 – 31 March 2008.

It takes account of the statutory requirements placed upon the Trustees of NMSI under the National Heritage Act (1983), the Museums and Galleries Act (1992) and other legislation, such as Charity Law, FOI, DDA, and Data Protection.

2. Purpose

This agreement:

- Summarises NMSI's whole mission, strategic priorities, rationale, programme, planned output and delivery partners, as set out in the Delivery Plan Summary at Annex A;
- Sets out the contribution that NMSI will make towards the delivery of key DCMS objectives, Efficiency PSA 3 (See Annex C Paragraph 2) and public value, in the context of its overall mission;
- Explains how the benefits of DCMS investment will be spread geographically, in particular by delivery through NMSI's regional arms, and/or with regional partners;
- Confirms the commitment of DCMS to NMSI in terms of funding and other support;
- Shows how delivery will be measured and monitored by reference to a set of key targets and performance indicators agreed with NMSI and by such other quantitative and qualitative measures that NMSI wishes to use to assess their performance and the achievement of public value in the context of their wider activities.

3. NMSI's Mission, Strategic Priorities and Rationale

3.1: NMSI's Mission

The NMSI family of museums includes:

- Science Museum (London)
- National Museum of Photography, Film and Television (Bradford)
- National Railway Museum (York)
- Locomotion: the National Railway Museum at Shildon
- Science Museum at Wroughton

NMSI has an overarching mission for all its museums:

We engage people in a dialogue to create meanings from the past, present and future of human ingenuity.

Our mission centres on the interaction between our collections and our audiences. NMSI is the guardian of a unique range of national collections spanning science, technology, medicine, transport, media and the arts. Our fundamental duty is to care for and provide access to these collections.

We inspire and engage our audiences through a combination of expert knowledge of the collections, cutting-edge interpretative techniques, and understanding of diverse audience needs. We create opportunities for learning, research and participation which aim to stimulate dialogue – a dialogue that is both well informed and relevant to the widest possible audience. In this way we promote engagement with our heritage as well as with controversial contemporary issues, and enable our audiences to make evidence-based choices for the future.

3.2: NMSI's Strategic Priorities and Rationale

NMSI's strategic priorities over the period of this Funding Agreement focus on three areas:

1. To improve the NMSI offer
2. To increase trading revenue
3. To enhance management systems

NMSI will work to grow its visitor numbers and diversify its audience by improving its offer, in terms of both contents and facilities. We will develop innovative new content in a long-term programme of gallery renewals, as well as in other media. At the same time we will carry out necessary works to improve physical access to the collections and make the running of the buildings and infrastructure more secure and more efficient.

NMSI will undertake to increase the revenue it earns through trading, without compromising the quality of the museum products. For example, through a new partnership with Fleming Media we will increase the number and quality of 'blockbuster' exhibitions produced at the Science Museum, and we will seek to maximise the opportunities for selling the exhibitions elsewhere. This will feed into the first strategic priority both directly, by providing high-quality exhibitions to our audiences, and indirectly, by raising funds to reinvest in the overall NMSI offer.

NMSI will continue to seek greater efficiency in its management systems and to promote joined-up working practices across its museum family. For example, we will further streamline the business planning process and implement unified guidelines for processes such as procurement and project management. This approach aims to simplify procedures and thereby improve the efficiency and effectiveness of the organisation.

These three priority areas all support our statutory role and government objectives. The strategies of increasing revenue and enhancing management systems strengthen the organisation's ability to deliver an improved offer to the public.

4. NMSI's contribution to the delivery of Government objectives

NMSI is committed to the four strategic priorities of DCMS, namely Children and Young People, Communities, Economy and Delivery.

4.1: Statement of NMSI's contribution to the delivery of the strategic priorities

NMSI will continue to contribute to the strategic priorities. NMSI's core and statutory activities help towards delivering these goals. As resources allow, we also undertake new projects designed to meet specific, new priorities.

Children and Young People

NMSI museums provide high-quality learning experiences for children of all ages. The museums support the school curriculum and go beyond it, giving children and young people memorable and inspiring experiences to enhance their formal and informal education, particularly in STEM-subjects, and giving them opportunities for creative participation in order to develop their skills and talents.

NMPFT

The NMPFT has an active education and outreach programme **encouraging children and young people to learn new skills and fulfil their talents**. A fitting example is 'Anim8ed', a Strategic Commissioning project, which the NMPFT has been running in partnership with the Cartwright Hall gallery and Bradford Industrial Museum since early 2003. Owing to the project's success the Museum has secured funding until at least March 2006. The project is exemplary in its way of involving children, from local KS2 pupils to Further Education students, in all the stages of creating an animated film with professional animators, from design to development and delivery. The project has allowed children to find their creative talent and enhance their skills in a number of different ways. Through visiting museums and galleries to find inspiration for the animations the children have also enhanced their skills in cultural literacy.

NRM

The Yorkshire Rail Academy, (YRA) developed by the NRM with York College and set up in May 2004, offers learning programmes for school pupils as well as rail-related training for young people in Higher Education. It has a key role in providing prime education and training for the rail industry in Yorkshire as well as in the emerging national network of rail training centres. By offering school programmes and training the YRA aims to **inspire children and young people** of the Yorkshire region to learn new skills and develop their talents. The YRA is currently working with rail companies and the North Yorkshire Education Business Partnership to promote engineering as a career. Links have been forged with schools teaching engineering GCSE. The programme will offer students a chance to work with engineers, bringing the career to life. The Aim Higher project is also working with the group to produce an information pack.

ScM

Through its innovative education and outreach programmes but also its interactive galleries the Science Museum seeks to offer its visitors, particularly children, opportunities to learn and feel inspired. In fact, it receives more school visits than any other museum in the country. Through Grant-in-Aid funding the Museum provides teams of explainers to offer more effective interpretation through personalised human interaction: a key aspect of the soon to be redeveloped Launch Pad gallery, which gives children a chance to experiment with and understand scientific concepts. The gallery is due to open in November 2007, and will have improved accessibility and amenities, and deliver curriculum-linked content to a primary audience of 8-14 year olds. In 2009 the Museum will also open a new Science Gallery, which will strengthen its focus on object-rich galleries and the areas of cosmology, astronomy, physics and chemistry.

During the last Funding Agreement period the Science Museum started the 'Creative Canals' project, in partnership with London Canal Museum and Beauchamp Lodge Settlement. This Strategic Commissioning project has been running since April 2003 and has just been awarded funding for one more year. Through dramatic interpretation, museum visits and trips down the Canal on a converted canal barge, the 'Floating Classroom', the project **engages school children from disadvantaged areas** along the Regent's Canal in improving science literacy and learning about their locality. The value of the project was summarised by one of the local primary school teachers taking part in 2005: 'The children got so much out of this project. It provided me with great curriculum links, and science and art ideas I could follow up in the classroom for the rest of the term. The team really made the whole three days a great success and lots of fun. Thank you very much.'

Wroughton

The Science Museum in Wroughton offers innovative programmes providing **large-scale, hands-on education experiences**, in particular through partnerships with schools in the Swindon region. For instance, since 2003 the Wroughton education team has been working with Ridgeway secondary school on a sustainable development project, acting as partners for its successful bid to attain science specialist status as well as helping its pupils design and build a garden. Furthermore, since 2004 funding from Strategic Commissioning has enabled Wroughton to form relationships with local schools and run educational programmes on the use of robotic technology in space exploration. Continuing in 2006-07, the project is truly inspirational, allowing the participating students to gain **a unique foundation for scientific understanding** by using innovative media such as custom built robots and having such organizations as the International Mars Society and various local museums as partners.

Communities

Over the present Funding Agreement period NMSI undertakes to continue to improve accessibility for priority groups and to increase emphasis on social inclusion and cultural diversity. NMSI will also continue to make and maintain links with local communities in order to give local residents a stake in their museums and use them to improve the quality of life in their area.

NMPFT

The NMPFT has done groundbreaking outreach work **to open up the institution to underrepresented groups**. This is particularly exemplified in the 'Youth TV' project initially set up in 2001 in order to tackle the increasing vandalism at the museum. The museum engaged inner city teenagers to come in and use their facilities to make their own TV programmes. The project was a success, resulting in the Museum deciding to employ two of the participants. It has been continued ever since, the young people being offered free taster sessions where they can learn technical skills and produce their own short programmes. They then have the option of attending a further course to develop their skills and focus on the aspect of television making they are most interested in. So far 107 teenagers (12-19 years) have been to the workshops in 2005-06, and for the first time also hard-to-reach families have been encouraged to take part in workshops exploring how growing up in Bradford has changed through time.

NRM

Locomotion, the National Railway Museum in Shildon, has succeeded in **engaging with the local community** through building thematic links with the local heritage and attracting a socio-economically diverse audience of **C2, D and E visitors**. Within a year of opening it received over 200,000 visitors, smashing its original yearly target of 60,000. During this time various projects have encouraged local ownership of the Museum, including 'Time Tracks', a digitised archive project ended in 2004, which recorded both oral and written histories, photographs and documents of the local people. An important resource, it will be maintained in community centres and in the Museum. Another project, funded by the Museum's Grant-in-Aid, is 'Sure Start'. Working with York 'Sure Start' the Museum brings in disadvantaged families with very young children (0-5) for six weeks at a time. The families are shown what

they can do, and learn, whilst in the Museum, and are then encouraged to come back. First-time visitors, many of the families have been re-visiting independently.

These projects provide the community with **new skills and pride in their heritage**, leading to personal enrichment and creating better places to live.

ScM

The Science Museum actively promotes **social cohesion** and provides **opportunities for underrepresented groups** to get involved in its activities. One of the projects, 'Kitchen Science (Box)', is aimed at families from disadvantaged areas such as London boroughs of Haringey and Camden. Its objective is to enthuse parents about the learning possibilities the Museum has to offer, by introducing them to the Museum and science through a school outreach box delivered by the Museum. Firstly, the parents are invited over to their local school where they try out the science-related resources in the box, and secondly, over to the Museum where they are shown how they can best use it with their children. The parents are then encouraged to repeat the workshop at home, as well as invited to come back to the Museum. The workshops have been well received with comments such as: 'I will definitely try this at home with my kids,' and some parents have also re-visited the Museum with their children. In 2006, the Museum will be working with four schools in Camden and four in Lambeth, organizing a parents' INSET day and a family celebration day.

The Museum also strives to involve the public in creating exhibitions. For instance, the current *Ingenious* exhibition *Spitfire* uses personal stories from members of the public – something which will also be done with the future exhibition *Plastics*.

Wroughton

The Wroughton site is an ambitious project aimed at opening up museums as institutions for **wider audiences** and creating more **access to the nation's heritage**: in 2004-05, 49% of the visitors to the site were of a C2, D or E socio-economic background. Planning to provide better access to the collections now held at Blythe House, to offer innovative educational programmes and state-of-the-art facilities for learning about collections and enjoying oneself, Wroughton will actively encourage the DCMS priority of life-long learning. Moving the Science Library to the site from London will **regenerate the borough**, restore some balance between the cultural centres of London and the regions and revive the sense of belonging and pride of the local communities. This sense of renewed pride is already palpable in the publicity the project has gained and the enthusiasm it has generated. It is likely that the implementation of proposals will take two years to complete, started in January 2006.

Economy

During the present Funding Agreement period NMSI will continue to increase its contribution to the skills economy by improving volunteering opportunities at all its sites, to make a significant contribution to promoting best practice in museum activities across the world, and continue to contribute to the regeneration of the areas of all NMSI museums.

NMPFT

In 2006 the NMPFT will be hosting three international film festivals: the 12th Bradford Film Festival, the 12th Bite the Mango and the Bradford Animation Festival. They attract internationally renowned filmmakers but also showcase young talent from Britain and the world. There will also be many events, held in partnership, which will be attracting attention both from domestic and foreign visitors, such as the Hockney festival in August and Bronte festival in September 2006. The Museum has also decided to back the Yorkshire bid to hold the 2007 'Bollywood Oscars', which could bring over 10,000 visitors to the region. The Indian International Film Academy Awards is one of the biggest annual events celebrating the talents of Indian cinema. Together these festivals and events, bringing crowds of cinema-goers and enthusiasts from all around the world, will continue to have a great **impact on the local and regional economy**.

NRM

Over the next Funding Agreement period the NRM will try and build on the success of events and exhibitions such as the hugely popular *World of Thomas*. One of the highlights for the current year will be the opening of the new exhibition *The Flying Scotsman Story*, opened in Easter 2006. This HLF and Yorkshire Forward funded permanent exhibition will illustrate the story of the Flying Scotsman from 1862 to the present day. One of its most innovative aspects is a series of films depicting modern railway narratives, for instance 'day in the life' sequences of staff onboard GNER Flying Scotsman. The Flying Scotsman itself will be moved back on to mainline service in late 2007.

The Museum aims to **maximise its ability to attract visitors** not only through its exhibitions the Museum, but also through attractions such as the Norwich Union Yorkshire Wheel, built on the NRM site in March 2006. Up to 400,000 wheel visitors are expected in the first year; 200,000 of whom are anticipated to visit the Museum for the first time. The visitor figures for April were already encouraging showing that 115,162 visitors came to the Museum – 68% over the April visitor target – with visitors to the Wheel being 173% over the Wheel target. Many of the region's key businesses and visitor attractions have welcomed the proposed new development. The Wheel will also allow the Museum to develop new corporate partnerships through unique sponsorship and private function opportunities.

One of the Museum's most ambitious projects, however, is its vision of York Central. Still in its development stage the project will transform the city centre, creating a new cultural 'campus' around the Museum. Through the project the Museum is hoping to play a key role in **developing a city with international prestige**, but also to bring **social and economic benefits to all layers of society** by offering affordable housing and new employment opportunities.

ScM

The Science Museum is well known all over the world for its unique collections and exhibitions using innovative interpretative techniques. The Museum attracts a large number of British and foreign visitors every year, but works also on projects abroad, gaining it **international acclaim**. One of these is the *Science of Sport* exhibition with state-of-the-art interactive exhibits. Since its launch in 1997 it has toured three continents and has been displayed, for instance, at the Athens Olympics in 2004. Another project the Museum has been working on since 2004 is the 'Children's Project' in Syria. The outreach programme was set up by Her Excellency Mrs Al Assad, the First Lady of Syria, and has been running since December 2005. It teaches children in rural and urban areas about issues such as science education and citizenship, and is currently touring a different location every fortnight, reaching 1000 children in each location. The aim is to eventually open a Children's Museum in Damascus by the end of 2009.

Wroughton

The proposed new development plan to transform the Wroughton site will have a **great impact on the economy of the South West region**. Displaying the collections currently not accessible to visitors, providing large-scale educational events and new facilities, as well as landscaping the airfield and creating a natural habitat for the area's birds and plants, will make Wroughton an important visitor attraction in Swindon but also in the whole of South West. Having adopted sustainable development as its underlying principle in everything it is set out to do, Wroughton will play a key role in helping the local, national and global communities address the environmental, social and economical challenges they will have to face in the future.

Delivery

NMSI will continue its ongoing and consistent work in the areas of conservation, security, loans and research. It will also put the visitor at the heart of all the services it delivers. Surveys measuring general visitor satisfaction are regularly carried out at the three main sites and show a consistently high proportion of visitors who say their experience of the museum has been good or very good (or 1–2 on a scale of 1–5).

Percentage of visitors who thought the museum was good or very good.

	2001–2	2002–3	2003–4	2004-5
Science Museum	96	91	91	98
NMPFT	98	96	87	
NRM	97	99	97	

NMPFT

Following a review in 2005-06 of the NMPFT strategy, its activities, operations and audiences, the Museum will be re-launched as the National Media Museum later in 2006. This is to respond to the planned broadening of the Museum’s subject areas into such areas as radio and converging electronic communications including the web, reflecting the social and technological change in society in general. Within this new remit NMPFT will be conducting a Museum-wide collections audit exercise, which started with a local audit in the Museum’s storage at Black Dyke in 2005. Proposals for a new Film Gallery are also being prepared as well as plans to open a satellite operation in London.

The new TV gallery, opening in the summer 2006, will be coinciding with the re-launch and contributing to the objective of reinterpreting the collections to serve the Museum’s audiences better. It will offer its visitors a new perspective into the world of television, and be one of its kind in Europe. The gallery is envisaged to **deliver value** for the three million pounds that it has been awarded: by creating better access for the world class collections, creating a fulfilling visitor experience to the Museum through hands-on exhibits allowing visitors to experience how programmes are made, and attracting visitors to the city itself. However, tying some of the Museum’s regular **community activities** in with the launch of the gallery is also regarded as a priority. As part of the opening of the gallery a group of local elderly residents have been invited to hold a reminiscence session at the Museum focusing on memories of TV programmes, new and old.

NRM

The NRM’s Search Engine project will do much to strengthen NMSI’s **efficiency** and broaden **access to its collections**. The new public archive and information centre, will improve the care of and access to the Museum’s large archives consisting of books, photographs, digital resources, drawings, artworks, sound and video, develop the on-line product, strengthen the Museum’s standing and links with the railway industry and other national archives. Phase I of the project will be completed by autumn 2007, transforming the existing administration block into climate-controlled archive stores where visitors will be able to access the resources easily and have ‘behind the scene’ tours to see how the Museum cares for its collections. The centre will also house the Railway Community Archive, which allows the public to add their family stories to the Museum’s archives. Audio-visual booths will also be available for accessing the Museum’s oral history and moving image collections. Phase II will involve building a new archive repository adjacent to the administration block.

The NRM masterplan looks at the long-term provision of the Museum’s services to visitors. It will focus on the renewal of interpretation within the Great Hall as well as major improvements to orientation across the whole site, such as introducing a single entrance. A feasibility study will look into a major fundraising campaign, together with a two-phase construction and installation stages aiming at 2009 and 2012 respectively.

ScM

The Science Museum aims to deliver the best possible service to its visitors by following a 10-year master plan: **a framework for development balancing both museological and commercial aims and objectives**. The Museum aims, firstly, to provide innovative permanent displays for families; secondly, to develop and present successful international touring exhibitions; thirdly, to develop a range of commercial propositions in order to deliver income for NMSI; fourthly, to develop dialogue with visitors through exhibitions, events and first person interpretation; and lastly, to provide enhanced facilities for visitors and the Museum staff. Following these priorities will ensure that the Museum will demonstrate its

relevance and value to the public. One of the ways in which it tries to open itself up as an institution is through its award-winning websites, *Ingenious* and *Making Modern World*, launched in 2004. They allow access to the collections, not only where previously it was not physically possible, but also by providing intellectual access, namely by opening up the meanings of the objects to a wider public. The Museum is also involved in a strategic partnership with the other museums and institutions in the South Kensington area through, which aims to create a unique cultural quarter around Exhibition Road. As part of the project the Science Museum will clean its façade, redefine its front concourse and provide new entrances to improve the accessibility and enhance the visitor experience.

Wroughton

The National Collections Centre (NCC) at Wroughton will allow NMSI to effectively and efficiently deliver the DCMS priority of offering **value for money**. At the moment the Science Museum collections are kept in conditions, which are neither adequately accessible for the public nor safe in terms of collections care. The Centre will be housed in a cost effective and sustainable building that is fit for purpose, and has already secured the support of the local community and stakeholders. The building and its landscape setting will act as a paradigm of low cost sustainable building. For instance, using renewable energy where possible will reduce dependence on fossil fuels and thus help reduce running costs. By opening a publicly accessible store, NMSI will provide unprecedented access to a wide selection of its national collections for the first time. The Centre will be unique in modernising delivery whilst putting the visitor first. The first step towards the realisation of the National Collections Centre is the Engineering Building, which was opened in April 2006. The next steps in the project will be to focus on securing funding for and installing a range of renewable technologies around the Engineering Building, on researching sustainable development technologies for the NCC, and improving on the Environmental Key Performance Indicators for the whole site.

There are also long-term plans to raise publicity for the site in the local area, for instance through participating in the Swindon Borough Council's *Make the Connection* project. Designed to change people's perceptions of Swindon, the project will increase Wroughton's publicity in particular during the Corporate Games based in Swindon later in 2006. The Science Museum Wroughton will also be active in the Wiltshire and Swindon Destination Management Partnership, started in March 2006 to focus on tourism in the region.

4.2 Commitment to free admission

Since free admission was introduced in December 2001, visitor numbers across NMSI sites have risen dramatically from around 2.8 million in the two years preceding free admission, to around 4.3 million in the two following years. This has allowed us to engage more people and thereby better fulfil our mission. It has also entailed corresponding extra pressures on resources. NMSI remains committed to free admission at its existing sites for the period of the present Funding Agreement.

4.3 Increasing access for priority groups (PSA 3)

NMSI is committed to improving accessibility for Black and ethnic minority visitors, C2, D, E visitors and visitors with disabilities. Over this Funding Agreement Period NMSI will seek to contribute to PSA3 through targeted projects, as resources allow. Specific plans are set out below.

Black and ethnic minority visitors

The Science Museum will build on audience consultation work it has carried out in the past to ensure that new developments meet the needs of black and ethnic minority visitors. For example, the Upper Wellcome Gallery on medical history will be updated to place greater emphasis on diverse, global traditions in medicine. The major new gallery on science will have black and ethnic minority visitors as a specific target audience.

NMSI will continue to contribute to Black History Month with updated events programmes (focussed at the Science Museum), and to provide outreach programmes at NMPFT and the Science Museum. For example, NMPFT will continue the TV workshops (sponsored by Providence Financial), one of the aims of which is to bring together pupils from all-white and predominantly non-white schools to participate in joint creative projects. The Science Museum will continue its partnership with Koyaki, and deliver science workshops for the *Raising Achievement in African-Caribbean Primary Boys* project.

Visitors from socio-economic groups C2, D, E

NMSI will continue to provide visitor services at Locomotion, its new museum in the North East. Early research has indicated that this museum has increased the proportion of C2, D, E visitors to NMSI museums. We will continue to monitor the visitor profile.

NMPFT and the Science Museum will continue to provide outreach programmes targeted at children and young people from disadvantaged areas. These include TV Workshops in Bradford, the Creative Canals project in East London (funding available till April 2006) and the Deutsche Bank project for outreach in London schools.

Visitors with disabilities

The Science Museum will complete its redesign of the main entrance to ensure compliance with the Disability Discrimination Act.

The Science Museum will redefine the role of Special Needs Coordinator: this post will be moved to the Visitor Research Team and will direct a new programme of initiatives for Special Needs visitors – adults and children – and provide training and advice for museum staff about Special Needs provision.

NMPFT will develop a programme of activities for people with learning disabilities, in partnership with MENCAP.

At NRM, the planned Search Engine project will create a new drop-in visitor centre for the NRM's stored archive material. As well as creating a more welcome environment to attract a more diverse research audience, Search Engine will provide disabled access to this material for the first time.

Equality and diversity in the workforce

It is NMSI policy that all eligible people shall have equal opportunity for employment and advancement in the NMSI on the basis of their ability, qualifications and fitness for the work. There must be no discrimination based on sex, race, religion, age, physical disability or sexual orientation against any eligible person whether in recruitment, training, promotion or in any other way.

NMSI has implemented pay and grading arrangements which are equality-proofed and, with assistance from its Trade Unions, has recently undertaken an equal pay audit to ensure things are on track. The EOC and ACAS-approved four-stage process was used to ensure a robust approach, full compliance with Equal Pay legislation and alignment with the stated policy.

The past year has also seen NMSI working with the Shaw Trust and Access to Work and a range of specialist advisors to make reasonable adjustments to the workplace for staff and potential recruits with disabilities. As a result of their assistance, funding has been obtained and new facilities introduced to the workplace making a real difference to the working lives of a number of individuals at NMSI. NMSI has been commended for the commitment it has shown to this important area.

Year 2006-07 will see an expansion of programmes to take in more areas of the equality agenda.

4.4 Summary of efficiency plans

The majority of the efficiencies planned by NMSI relate to the impact of staff restructuring, new working patterns and reduced overtime with the final redundancies under the main programme taking place in 2005–6.

Specific administrative efficiencies are resulting from the reorganisation of the HR service. Procurement gains have resulted from the centralisation of IT procurement and shared services with other museums, with other gains expected as a result of a procurement review.

The new approach to the Science Museum library service provision should provide an efficient service at lower costs. The National Collections Centre and Search Engine projects are both designed to provide a more efficient service in terms of collections storage and access to stored collections. In both cases, energy efficiency is a key element in the building plans.

Other savings are resulting from the cessation of loss-making activities while renting out of previously underutilised assets is increasing income. Better services to the public are being provided through partnerships and shared costs with other bodies.

	2005–6	2006–7	2007–8
Efficiency gains	£k	£k	£k
Cash	2.463	2.553	2.622
Non-cash	0.354	0.384	0.422
Total	2.816	2.937	3.044

5. Funding

The level of Government funding for the three years 2005–6 to 2007–8 includes the amount announced in the Secretary of State’s letter of 14 December 2004 plus any further amounts agreed prior to the signing of the agreement. NMSI’s resource and capital budgets during the SR2004 period will be (as set out in the funding allocation letter from the Secretary of State, plus any subsequent adjustments) as follows:

£000s	2005–6	2006–7	2007–8
Resource	48,291	49,646	50,385
Capital	1,700	2,250	4,250
Totals	49,991	51,896	54,635

The non-cash element of the resource budget is:

£000s	2005–6	2006–7	2007–8
Resource Non-cash	14,598	15,949	16,151

The Grant-in-Aid allocation for the three years 2005–6 to 2007–8 is:

£000s	2005–6	2006–7	2007–8
Resource Grant-in-Aid baseline (1)	32,193	32,193	32,193
Additional Resource Grant-in-Aid (2)	200	1,504	2,041
Resource Grant-in-Aid sub-total	32,393	33,697	34,234
Capital Grant-in-Aid baseline	1,500	1,500	1,500
Additional capital Grant-in-Aid (2)	200	750	2,750
Capital Grant-in-Aid sub-total	1,700	2,250	4,250
Total Grant-in-Aid	34,093	35,947	38,484

- (1) This includes £125k GIA allocation to the Type Museum.
 (2) Payment of £200k for Capital and £200k resource GIA in 2005-06 and £500k resource GIA in 2006-07 was ring-fenced in relation to the Science Museum Library.

The Grant-in-Aid allocation is dependent on NMSI maintaining the successful policy of free admission to the permanent collections and demonstrating satisfactory performance against the targets and deliverables set out in this Funding Agreement. Targets should be agreed in accordance with the levels of funding available. Any ring-fenced amounts are as set out in the allocation letter or in any subsequent ring-fenced allocations.

Success in achieving the targets in this Funding Agreement will inform the way in which the Secretary of State is able to approach the next funding round with Treasury.

NMSI's ability to show measurable improvements in service delivery; the achievement of the Funding Agreement targets and its contribution to the delivery of Government policies will be factors in the Secretary of State's decisions over future allocations.

Variations to this Funding Agreement may be agreed and incorporated as necessary. This Funding Agreement recognises that the achievement of the targets may also reflect success in self-generated income, sponsorship, grants and continuous improvements in efficiency.

6. Risks

NMSI's Corporate Risk Group was established in 2004–5, chaired by the Head of Finance and reporting to the Audit Committee. The Group is responsible for

- Developing and monitoring the implementation of the Museum's risk strategy;
- Monitoring changes in the corporate risk profile and, via its Chairman;
- Reporting significant changes to the Director, the Audit Committee and the Board of Trustees.

The Corporate Risk Group is responsible for the maintenance of an organisation-wide risk register, progressing work to develop a consistent evaluation framework and encouraging the use of ongoing Control and Risk Self-Assessment procedures. The NMSI Internal Audit Plan is aligned with the major risks and utilises the services of external specialists in addition to services provided by AHL Ltd across a range of areas. We are committed to supporting better risk management across the NMSI in line with the Modernising Government programme and DCMS guidance.

Significant risks identified include terrorist or other serious external threats to the staff, visitors and physical assets of the Museum; financial risks such as insufficient funding to support core activities or to enable planned replacement of galleries and exhibitions and efficiency developments to progress developments; external impact upon the Museum & Gallery sector focus within government; the further deterioration of Bradford's social and economic climate; the success of the exhibition programme especially with the terrorist impact on visitors; increased competition from other attractions and failure to secure funding for NCC. The

upcoming Olympics present both a risk and a challenge to NMSI as a multi-site organisation strongly represented outside the capital.

7. Performance Monitoring

This Funding Agreement will be monitored by:

- a) Assessment of the achievement of the agreed Funding Agreement targets in the table below.
- b) Assessment of the effectiveness of projects which support PSA 3;
- c) Reference (as now) to the Key Performance Indicators
- d) Performance against NMSI's Delivery Plans and related measures; and
- e) Performance against Efficiency targets

The figures for each Funding Agreement target will be negotiated and agreed individually between DCMS and NMSI. The targets are as follows:

Key Funding Agreement Targets: 2005–6 to 2007–8

NMSI-wide	2005–6	2005-6 Outturn	2006–7	2007–8
Total number of actual visits to museums (excluding virtual visits)	3,960,000	3,576,679 ¹	3,625,500	3,826,000
Number of unique users visiting the website	5,550,000	12,634,572	10,441,721	12,670,065
Number of adult UK visitors (aged 16 and over) from NS-SEC socio-economic groups 5-8 attending the museums*	900,000*	705,163*	653,077	677,595
Number of children aged 15 and under visiting the museums**	1,526,000	1,207,210	1,301,295	1,372,450
Number of children aged 15 and under in on and off-site organised educational sessions**	302,000	522,445	455,298	466,850
Net income from trading (including corporate hire) (£m) ²	0.9	0.9	1.5	1.6
Efficiency savings (£m)	2.816		2.937	3.044

* Based on old definition which includes C2DE visitors under 16 years of age

** This includes Year 11, 16-year olds, as agreed with DCMS.

Notes

1. Includes the Dana Centre and Blythe House visitor figures.
2. Net trading income includes contribution from retailing, catering, corporate hire, cinema, simulators, charged exhibitions and consultancy, rental and car parking, corporate partnership schemes and other IPR and museum charged services.

Science Museum (South Kensington)	2005–6	2005-6 Outturn	2006–7	2007–8
Total number of actual visits to museum (excluding virtual visits)	2,400,000	2,019,931	2,102,000	2,275,000
Number of unique users visiting the website	3,900,000	6,817,432	6,141,721	7,370,065
Number of adult UK visitors (aged 16 and over) from NS-SEC socio-economic groups 5-8 attending the museums*	429,000*	175,403*	191,282	207,025
Number of children aged 15 and under	984,000	709,581	756,720	819,000

visiting the museums**				
Number of children aged 15 and under in on and off-site organised educational sessions**	182,000	387,937	347,750	335,750
Net income from trading (including corporate hire)	N/A	To be reported NMSI-wide.		
Efficiency savings	To be reported NMSI-wide.			

* Based on old definition which includes C2DE visitors under 16 years of age

** This includes Year 11, 16-year olds, as agreed with DCMS.

NMPFT	2005–6	2005-6 Outturn	2006–7	2007–8
Total number of actual visits to museum (excluding virtual visits)	760,000	615,431	680,000	700,000
Number of unique users visiting the website	900,000	3,956,449	3,200,000	4,000,000
Number of adult UK visitors (aged 16 and over) from NS-SEC socio-economic groups 5-8 attending the museums*	190,000*	168,000*	197,000	203,000
Number of children aged 15 and under visiting the museums**	266,000	215,403	238,000	245,000
Number of children aged 15 and under in on and off-site organised educational sessions**	62,000	44,002	42,000	42,000
Net income from trading (including corporate hire)	N/A	To be reported NMSI-wide.		
Efficiency savings	To be reported NMSI-wide.			

* Based on old definition which includes C2DE visitors under 16 years of age

** This includes Year 11, 16-year olds, as agreed with DCMS.

NRM	2005–6	2005-6 Outturn	2006–7	2007–8
Total number of actual visits to museum (excluding virtual visits)	670,000	744,472	720,000	720,000
Number of unique users visiting the website	750,000	1,017,246	1 100,000	1 300,000
Number of adult UK visitors (aged 16 and over) from NS-SEC socio-economic groups 5-8 attending the museums*	257,000*	280,000*	191,000	191,000
Number of children aged 15 and under visiting the museums**	234,000	227,095	250,000	250,000
Number of children aged 15 and under in on and off-site organised educational sessions**	50,000	83,445	58,000	60,000
Net income from trading (including corporate hire)	N/A	To be reported NMSI-wide.		
Efficiency savings	To be reported NMSI-wide.			

* Based on old definition which includes C2DE visitors under 16 years of age

** This includes Year 11, 16-year olds, as agreed with DCMS.

Locomotion: NRM at Shildon	2005–6	2005-6 Outturn	2006–7	2007–8
Total number of actual visits to museum (excluding virtual visits)	50,000	141,125	70,000 ²	70,000 ²

Number of unique users visiting the website	N/A	N/A	N/A	N/A
Number of adult UK visitors (aged 16 and over) from NS-SEC socio-economic groups 5-8 attending the museums*	22,500*	64,000*	54,000	54,000
Number of children aged 15 and under visiting the museums**	18,000	43,097	43,200	43,200
Number of children aged 15 and under in on and off-site organised educational sessions**	N/A	4,483	3,000	3,000
Net income from trading (including corporate hire)	N/A	To be reported NMSI-wide.		
Efficiency savings	To be reported NMSI-wide.			

* Based on old definition which includes C2DE visitors under 16 years of age

** This includes Year 11, 16-year olds, as agreed with DCMS.

2 To be reviewed regularly

NMSI Wroughton	2005–6	2005-6 Outturn	2006–7	2007–8
Total number of actual visits to museum (excluding virtual visits)	80,000	47,538	53,500	61,000
Number of unique users visiting the website	N/A	N/A	N/A	N/A
Number of adult UK visitors (aged 16 and over) from NS-SEC socio-economic groups 5-8 attending the museums*	24,000*	17,760*	19,795	22,570
Number of children aged 15 and under visiting the museums**	24,000	12,034	13,375	15,250
Number of children aged 15 and under in on and off-site organised educational sessions**	8,000	2,578	4,548	6,100
Net income from trading (including corporate hire)	N/A	To be reported NMSI-wide.		
Efficiency savings	To be reported NMSI-wide.			

* Based on old definition which includes C2DE visitors under 16 years of age.

** This includes Year 11, 16-year olds, as agreed with DCMS.

Using as a basis the targets above, plus any further targets proposed by NMSI (See Section 2 above) NMSI will produce an annual performance review no later than 31 July for the prior year and a report on the previous 6 months in time (early October) for the combined annual and 6-monthly Performance Review Meeting in the Autumn. This meeting will review last year's achievements, monitor the current financial year and look forward to the following year(s). It should refer also to the standard Performance Indicators and include a brief report on progress on Efficiency Savings and any update of the risk register. The review meetings will provide an opportunity to identify and discuss what action may be necessary to address any shortfall against targets.

The performance reports should:

- set out actual outturn against the targets above and against the performance indicators, Efficiency Savings and PSA 3-related projects;
- provide an explanation, where outturn diverges from the expected; and
- explain what action is being taken or is planned to address the shortfalls.

Performance against NMSI's PSA 3-related projects will be assessed through updates that will be requested from NMSI in the context of the PSA 3 Project to increase access to priority groups.

Performance review meetings will generally be held at official level but additional meetings may be arranged with Ministers, where appropriate.

Targets can be updated by agreement with DCMS if there are strong reasons for doing so. Any planned/forecast changes from target outturn should be notified to the Department as soon as practicable.

The responsibility for the delivery of the targets in this Agreement rests with the Board of Trustees and with the Director and Accounting Officer of NMSI.

Signed by :

Minister for Culture, Department for Culture, Media and Sport

Chairman of the Board of Trustees, NMSI

Director and Accounting Officer, NMSI

ANNEX

A. Museum/Gallery Delivery Plan Summary

NMSI has worked through a Priority-based budgeting exercise in 2005 – 2006. The information generated by this process coupled with an improved business planning process will inform forward planning for the organisation. We are in the process of generating a new model delivery plan, which will be agreed with DCMS by October 2006.

B. Balanced Scorecard

In supplementing the core targets and performance indicators set out below, you may wish to include your institution's own quantitative and qualitative measures to evaluate progress against objectives, or to draw on those proposed in the DCMS Report *Efficiency and Effectiveness of Government-sponsored Museums and Galleries* (1999). Some examples are suggested under the 'other measures' heading in the table below.

STEWARDSHIP	SCHOLARSHIP AND RESEARCH
<p><i>Core Targets:</i> N/A</p> <p><i>Performance Indicators collected by DCMS:</i></p> <ul style="list-style-type: none"> ▪ % collection stored in correct environmental conditions <p><i>Other measures (as proposed by the NDPB)</i> Eg. Evaluation of achievement of institutional objectives regarding collection profile, conservation, storage, documentation digitisation, etc.</p>	<p><i>Core Targets:</i> N/A</p> <p><i>Performance Indicators collected by DCMS:</i> N/A</p> <p><i>Other measures (as proposed by the NDPB)</i> Eg. Evaluation of progress of research and publication projects, which may include peer reviews</p>
ACCESS	BUSINESS EXCELLENCE AND EFFICIENCY
<p><i>DCMS Strategic Priority 1:</i> To further enhance access to culture and sport for children and give them the opportunity to develop their talents to the full and enjoy the benefits of participation.</p> <p><i>DCMS Strategic Priority 2:</i> To increase and broaden the impact of culture and sport, to enrich individual lives, strengthen communities and improve the places where people live, now and for future generations, specifically by increasing the number accessing museums and galleries collections by 2% (PSA3).</p> <p><i>Core Targets:</i></p> <ul style="list-style-type: none"> • Total number of visits to the Museum (excluding virtual visits) • Number of unique visits to the website • Number of UK adults aged 16 and over from lower socio-economic groups attending the Museum (This is NS-SEC groups 5-8) • Number of children aged 15 and under visiting the Museum • Number of children aged 15 and under in on and off-site organised educational sessions <p><i>Other Performance Indicators collected by DCMS:</i></p> <ul style="list-style-type: none"> • Number of adult visits (all sites) • Number of over-60s visits 	<p><i>DCMS Strategic Priority 3:</i> To maximise the contribution that the tourism, creative and leisure industries can make to the economy, specifically by improving the productivity of those industries by 2008 (PSA4).</p> <p><i>DCMS Strategic Priority 4:</i> To modernise delivery by ensuring our sponsored bodies are efficient and work with others to meet the cultural and sporting needs of individuals and communities, specifically by achieving at least 2.5% efficiency savings on our DEL in each year of SR2004.</p> <p><i>Core Targets:</i></p> <ul style="list-style-type: none"> • Net income from trading (including corporate hire) • Efficiency Savings <p><i>Other Performance Indicators collected by DCMS:</i></p> <ul style="list-style-type: none"> • Grant-in-Aid per User • Revenue generated from sponsorship and donations etc. per visit (actual) • Other non-GIA income per visit (actual) • Average number of days lost sick, per employee through sick absence (excluding long term sickness) <p><i>Other relevant measures (as proposed by NDPB)</i></p>

<ul style="list-style-type: none">• Number of overseas visits• Number of repeat visits• Number of interpreted collection items available online• Hours open over baseline• Number of learners in on- and off-site educational sessions• Percentage of UK visitors aged 16 and over from an ethnic minority• Number of UK adults aged 16 and over from lower socio-economic groups attending the Museum (This is NS-SEC groups 5-8)• Number of UK and overseas loan venues• No. of venues in England to which objects from the collection are loaned• Percentage of visitors who thought the museum/gallery overall was good/very good <p><i>Other relevant measures (as proposed by NDPB)</i> Eg, assessing the impact of educational activities (as measured by Generic Learning Outcomes or other methodology) and audience/potential audience surveys</p>	
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C. Public Values

DCMS's Priorities and Public Service Agreement Targets, Goals and Public Value Commitments

It is the strategic aim of DCMS to improve the quality of life for all through cultural and sporting activities, support the pursuit of excellence and champion the tourism, creative and leisure industries. This will be achieved through the following Priorities and Public Service Agreement Targets:

1: To further enhance access to culture and sport for children and give them the opportunity to develop their talents to the full and enjoy the benefits of participation.

2: To increase and broaden the impact of culture and sport, to enrich individual lives, strengthen communities and improve the places where people live, now and for future generations, specifically by increasing by 2% of each priority group in England the number of C2,D,Es, Black and Ethnic Minorities and Disabled People visiting museums and galleries collections and attending museum outreach services (PSA3).

3: To maximise the contribution which the tourism, creative and leisure industries can make to the economy, specifically by improving the productivity of those industries by 2008 (PSA4).

4: To modernise delivery by ensuring our sponsored bodies are efficient and work with others to meet the cultural and sporting needs of individuals and communities, specifically by achieving at least 2.5% efficiency savings on our DEL in each year of SR2004 (2005-8).

The DCMS Five-Year Plan sets out our goals for 2005-10, which are as follows:

- To support the cultural (and sporting) life of the nation, responding to rapid economic, social and technological change, drawing on a rich legacy of creativity and success;
- To ensure that everyone can enrich their lives through excellent culture, promote diversity at home and enhance Britain's prestige abroad; and improve the places where people live and protect the nation's cultural assets for future generations;
- To do this in a way that gives children the best start in life and is fair to everyone. We will promote, through culture and sport, both community action and personal freedom;
- To encourage creativity across the lifespan, linking individual cultural development from budding talent in children, to business and professional success in national and international marketplaces and arenas;
- To help our sectors to contribute to national prosperity;
- In everything we do, to ensure value for money and responsiveness to what people want.

DCMS aims to translate these goals into practical action with **ten commitments which will deliver public value outcomes.**

Personal enrichment: we will make sure that everyone, particularly people from those groups who have not taken up opportunities in the past, has the option to take part in our rich cultural life.

A great start in life: all children and young people will get a chance to experience the very best of culture.

Including everyone: we will ensure that financial support goes to a rich tapestry of visual and performing arts and sports facilities small and large; traditional and experimental; rural and urban; serving each of our communities and all of them. We will strengthen our links with the

voluntary and community sector, including through the new National Lottery distributor. We will commemorate in 2007 the abolition of the slave trade in the British Empire.

Listening to people: many of the organisations that help us deliver our objectives are revered institutions, with a long and illustrious history, for example the national museums and galleries. We will help them deliver the effective, modern management needed in a changing Britain while being responsive to the public. We will consult the public on an unprecedented scale, ensuring that all our sponsored bodies, and the Department itself, are open and accountable.

Better places to live: Local libraries, leisure facilities and access to well-maintained public and historic buildings improve people's lives. We will strengthen our links with local government and regional bodies to ensure high quality services wherever people live in this country. We will work to maintain a key role for culture and leisure in the implementation of the Government's sustainable development strategy and demonstrate through Liverpool's selection as European Capital of Culture in 2008 how cities can develop and innovate in the cultural field.

Looking after the nation's cultural assets: Museums, galleries and the historic environment are key to understanding ourselves, our communities, and our nation. Their role in explaining where we have come from is vital to our ability to build a sense of who we are. These assets – historic sites and buildings, works of art and our church buildings – are enduring, yet irreplaceable. Over the next three years we will maintain and increase our support for the national museums, galleries and other bodies that perform this essential stewardship role for the nation. Investment and financial support for national and regional museums and galleries will be worth £423 million in 2007-8, up from £241 million in 1998.

International prestige: world-class sport and culture are a source of national pride and international prestige. Our world-class museums, performing arts, galleries and historic sites make Britain a great place to live and a fantastic tourist destination. We will use the UK Presidency of the EU to promote access to high quality sport and culture, for example leading work on new plans for the digitisation of cultural heritage and the mobility of museum collections. [Olympics – showcase for culture].

Personal freedom: people should be free to enjoy their leisure time within the law as they wish. We will continue to balance protection with personal freedom by regulating in the public interest.

Economic prosperity: We will increase productivity in the tourism, leisure and creative industries; providing targeted support to help them grow and to provide opportunities for the talented to make a living and contribute to the economy.

Value for money: We will encourage sponsored bodies, local authorities and other public bodies providing culture, sport and leisure services to work together, efficiently and effectively. Our overall target is to achieve efficiency savings within DCMS, our sponsored bodies and local government of £262 million a year by 2008, with the savings being used to help deliver better services to the public, with no reduction in the quality of services.