Three Year Funding Agreement between

The Department for Culture, Media and Sport

2-4 Cockspur Street, London SW1Y 5DH
0171 211 6192

and

The National Museum of Science & Industry

London SW7 2DD
0171 938 8000

Relating to the Years

1 April 1999 To 31 March 2000
1 April 2000 To 31 March 2001
1 April 2001 To 31 March 2002

The National Museum of Science & Industry

Three Year Funding Agreement for the period 1 April 1999 To 31 March 2002

1. Introduction

1.1 This agreement is between the Department for Culture, Media and Sport and the National Museum of Science and Industry ("the Museum").

1.2 The agreement is for the three year period April 1999 to March 2002.

1.3 The Museum's aim as expressed in the Mission Statement is:

To promote the public's understanding of the history and contemporary practice of science, medicine, technology and industry.

1.4 For the funding provided in section 3 the Museum will be expected to deliver the outputs agreed in section 5 below.

1.5 The agreement takes account of the statutory requirements placed upon the Trustees of the Museum by the National Heritage Act 1983, namely to:

(a) care for, preserve and add to the objects in their collections

(b) secure that the objects are exhibited to the public

(c) secure that the objects are available to persons seeking to inspect them in connection with study or research

(d) generally promote the public's enjoyment and understanding of science and technology, and of the development of those subjects both by means of the Board's collections and by such other means as they consider appropriate

2. Context

DCMS aim and objectives

2.1 The aim of the Department is:

"*To improve the quality of life for all through cultural and sporting activities, and to strengthen the creative industries."*

2.2 The Department will:

- work to bring quality and excellence in the fields of culture, media and sport;
- make these available to the many, not just the few;
- raise standards of cultural education and training;
- help to develop the jobs of the future in the creative industries.

Objectives

2.3 To achieve its aim the Department, in partnership with others, works to:

1. Create an efficient and competitive market by removing obstacles to growth and unnecessary regulation so as to promote Britain's success in the fields of culture, media, sport and tourism at home and abroad.
2. Broaden access for this and future generations to a rich and varied cultural and sporting life and to our distinctive built environment.

3. Develop the educational potential of all the nation's cultural and sporting resources; raise standards of cultural education and training; ensure an adequate skills supply for the creative industries and tourism; and encourage take up of educational opportunities.

4. Ensure that everyone has the opportunity to achieve excellence in the areas of culture, media and sport and to develop talent, innovation and good design.

5. Maintain public support for the National Lottery and ensure that the money used for good causes supports DCMS' and other national priorities.

6. Promote the role of the Department's sectors in urban and rural regeneration, in pursuing sustainability and in combating social exclusion.

In carrying out these objectives the Department will seek maximum value for money in using its human and financial resources, through applying the principles of efficiency and effectiveness in its sectors and in encouraging partnership with others.

This Funding Agreement provides explicit and challenging statements of the outputs and levels of performance which the Museum is required to deliver to achieve Ministerial objectives. The Funding Agreement is realistic about what achievable real world targets should be and how far detailed targets can be set for three years and does not focus solely on input and process related changes. It also reflects targets already set in the Public Service Agreement.

3. Grant-in-aid

3.1 In his letter of 14 December 1998 to Sir Peter Williams, the Secretary of State announced the grant-in-aid allocations for the three years 1999-2000 to 2001-2002:

All figures in £000
TBA = To Be Advised following further discussions

	1999-00 Year 1	**2000-01 Year 2**	**2001-02 Year 3**
Current budget			
Grant-in-aid	20 759	20 855	21 766
Free access	997	1 424	TBA
Extra funds to meet previously identified deficit	1 000	1 400	TBA
NCMME (ring fenced)	770	1 152	TBA
Total current budget	**23 526**	**24 831**	**21 766**
Capital budget			
Purchase of RNAY site at Wroughton	1 000	400	-
Total current and capital budget	**24 526**	**25 231**	**21 766**

3.2 The Museum will have to plan and agree targets for Year 3 on the basis of the figures above, recognising that important decisions are yet to be taken by DCMS, for example on the status of free admissions in Year 3 and the related VAT issue. When these decisions are taken, and if there are any other changes to the above figures, variations to the agreement will be agreed and incorporated as necessary.

3.3 Success in meeting the targets agreed in section 5 of this funding agreement will inform the way in which the Secretary of State will approach future funding discussions with Treasury and future provision for sponsored bodies. The Secretary of State also reserves the right, after consultation, to reallocate the "investment for reform" if he is not satisfied with the progress achieved by the Museum. In either case, the Secretary of State will, as appropriate take account of any views expressed by QUEST.

4. The Museum's core objectives to achieve its mission are:

Customers
Exceed our various publics' expectations in all that we do.

Collections
Build, research and care for the national collections in these fields.

Communication
Interpret those collections and engage the public in the contemporary issues of science, medicine, technology and industry.

Resources
Manage our resources and optimise income support to these activities.

This Funding Agreement takes key performance indicators for each of the core objectives in order to exemplify its targets for the three year period April 1999 to March 2002.

The Museum's core objectives are directly aligned with the DCMS objectives as shown below:

Strategic fit: Table showing how the Museum's core objectives map against DCMS objectives

Key: √ indicates good fit √√ indicates excellent fit

DCMS objective Museum Objective	1 Market	2 Access	3 Education	4 Excellence	5 Lottery	6 Social
Customers		√ Wellcome Wing Imaging Frontiers	√√ Education and schools	√√ Exceeding expectations		
Collections	√ National collections promoting Britain's success	√√ Access to a high proportion of collections, for current and future generations	√√ Utilising collections to support learning	√√ Excellence in acquisition, care and research National Collections Centre	√ Application of lottery funds Proposed bid for National Collections Centre	√√ Green policy NMPFT widening cultural audiences
Communication	√ Conferences and touring exhibitions promoting Britain's success	√√ Access through a broad range of media: Papers Books Exhibitions World Wide Web	√√ Interpretation and disseminating the learning STEM	√√ Excellence in communication	√ Application of lottery funds	√ Electronic outreach
Resources	√ Compete in Leisure Industry	√ Optimising resources Training our people	√ NRM Institute of Railway Studies	√ Optimising resources Training our people	√√ Leveraging the opportunities	√ Optimising resources Green policy

5. Performance Targets

5.1 The following targets will be used to contribute to the tracking of the performance of the Museum in achieving its objectives and in so doing meeting the objectives that the Department has agreed with Treasury. A table cross-matching the performance indicators with DCMS objectives is provided at the end of the section.

1 Customers

NMSI optimises its opening hours to achieve maximum access within budget and resource constraints. Opening hours are:

Science Museum	10.00 to 18.00	Seven days a week
NRM	10.00 to 18.00	Seven days a week
NMPFT	10.00 to 18.00	Tuesday to Sunday inclusive (reflecting demand patterns)
Wroughton	Special times to reflect open days and events	

Note that all numerical targets in this area are at risk from the opening of the Dome, which is an as yet unquantified competing attraction.

a.(i) Visitor numbers :

Thousands	1998-99 Target	1998-99 Estimate	1999-2000 Target	2000-01 Target	2001-02 Target
Science Museum	1500	1500	1450	1730 *Note 1*	1840
NMPFT	204	204	759 *Note 2*	750	750
NRM	400	412	450 *Note 3*	450	450
Wroughton	50	60	70	80	90
Total	2154	2176	2729	3010	3130

Note 1: The Wellcome Wing opens in June 2000.
Note 2: NMPFT re-opens April 1999
Note 3: The Works opens July 1999

a(ii) First time visits (this will be a subset of a.(i) above):

Thousands	1998-99 Target	1998-99 Estimate	1999-2000 Target	2000-01 Target	2001-02 Target
Science Museum	780	780	775	1002	1060
NMPFT	84	84	311	307	307
NRM	200	206	225	225	225
Wroughton	Awaits market research				
Total	1064	1070	1311	1534	1592

a(iii) Repeat visits (this will be a subset of a.(i) above):

Thousands	1998-99 Target	1998-99 Estimate	1999-2000 Target	2000-01 Target	2001-02 Target
Science Museum	720	720	675	728	780
NMPFT	120	120	448	443	443
NRM	200	206	225	225	225
Wroughton	Awaits market research				
Total	1040	1046	1348	1396	1448

b. The Museum will introduce free admission at South Kensington and NRM for children from April 1999, and for people of age 60 and over from April 2000.

c. Education

The Museum's galleries, special exhibitions and programmes are educational resources for the public in general, from families with children of all ages to independent adults with general or specific interests. Outreach activities are developed to establish relationships with specific audience groups, particularly those with special educational needs.

1. Lifelong learning

Daily and special events programmes, together with temporary exhibitions, are designed to provide informal learning opportunities for a wide range of visitors, from pre-school children to independent adults.

Events programmes for general visitors are as follows:

(may last from one day to one week)

Year	1998-99 Target	1998-99 Estimate	1999-2000 Target	2000-01 Target	2001-02 Target
Science Museum	7	7	7	8	7
NRM	20	20	18	20	20
NMPFT	15	15	21	16	11
Wroughton	25	27	30	30	30

Possible ways of setting targets for and reporting audience development and access (including outreach) initiatives will be examined over the coming year.

2. Formal education

The Science Museum is the most visited institution by school parties in this country. The Museum aims to meet the following targets for visits primarily for the purposes of formal education:

Thousands	1998-99 Target	1998-99 Estimate	1999-2000 Target	2000-01 Target	2001-02 Target
Science Museum	300	300	290	300	320
NMPFT	31	31	80	83	83
NRM	30	29	35	40	45

The reduced figure for the Science Museum in 1999-2000 reflects the disruption linked to extensive building work leading up to the opening of the Wellcome Wing in June 2000. It is unavoidable that there will be closure for certain periods of galleries such as Food for Thought, which are very popular with schools due to their direct curriculum links. The figures increase again in 2000-01 with the opening of the Wellcome Wing, although the benefit on opening will only affect the second half of the year. Despite the opening of Wellcome Wing, the full year figure for 2000-01 is pulled down again because of the closure of the most popular gallery, Launch Pad, as part of the work leading up to the opening.

Reduced figures for NMPFT during 1998-99 reflect the closure of the main Museum during that period.

d. Visitor satisfaction

The Museum aims to maximise visitors' satisfaction with standards of service and the quality of exhibitions. The Museum undertakes a range of visitor surveys, for example at the Science Museum a survey is conducted by MORI every 12 months. In order to measure visitor satisfaction, a range of questions is asked. The Museum aims to achieve overall satisfaction ratings as follows:

Year	1998-99 Target	1998-99 Estimate	1999-2000 Target	2000-01 Target	2001-02 Target
Science Museum	94	94	90	92	95
NMPFT	N/A main museum closed	No survey	92	95	96
NRM	95	98	95	95	95

The decline forecast for the Science Museum in 1999-2000 and 2000-2001 is linked to the building, refurbishment and renewal work leading up to the opening of the Wellcome Wing. Whilst every effort will be made to minimise its impact, this work will inevitably result in reduced facilities, reduced gallery availability and more uncomfortable environmental conditions for visitors.

The target level for NMPFT on reopening in 1999 matches that in the last full year of opening. Although the new Museum will be a much more exciting product, visitor expectations will have lifted correspondingly, supported by our own marketing campaign. It is also inevitable and normal for a launch of this magnitude that there will initially be minor technical and operational defects which will affect customer experience in the first few months. Visitor satisfaction is then forecast to rise from 2000-01 as initial issues are resolved.

Visitor satisfaction levels at the NRM are already extremely high. The challenge here will be to maintain those high levels as visitor expectations grow and under acute operational financial pressure.

e. Range of audience

NMSI will take steps to broaden the range of its audience. The aim is to identify target groups and to increase the proportion of visitors in these groups. It is recognised that it is not possible to quantify this at this stage and work will be carried out to develop appropriate methodology, identify a baseline and measure performance. In the interim a statement of achievement will be provided as part of the reporting process (see section 6).

NMPFT will continue to evaluate the effectiveness of measures being introduced to increase audience from culturally diverse backgrounds.

The NRM will broaden its audience by continuing its successful policy of providing more for family groups and by offering selected activities for a wide range of target market segments.

1. Physical access

When designing new galleries and exhibits all designs and prototypes will be examined by the NMSI Special Needs Co-ordinator and Disability Adviser or a registered access group, such as the Centre for Accessible Environments, RNIB or RNID.

The NMSI Disabled Facilities Committee will continue to review all access issues on a regular basis.

The provisions of the Disability Discrimination Act will be implemented.

2. Sensory access

NMSI will continue the scheme where disabled visitors can book a personal guide. (This tends to be taken up by visually impaired visitors.) Research will continue into providing information in different formats for disabled customers.

3. Intellectual access

NMSI will continue to run welcome days for groups with special educational needs. NMSI will continue to explore and implement innovative outreach initiatives, for example the work in partnership with Carlton TV working with Special Educational Needs schools.

f. Wider museum community

It is recognised that it is difficult to quantify the areas below and therefore reporting will be in the form of a statement of achievement.

The Museum will:

i. develop an effective relationship with the Museums Libraries and Archives Council (MLAC). More specific targets will be worked up in the coming year in the light of the work of the MLAC Design and Implementation groups.

ii. maintain its strategic partnership with Area Museum Councils

iii. act as grant provider to the National Coal Mining Museum for England, to include putting in place a funding agreement on comparable terms to this one. The Director of NMSI will be Accounting Officer for NCMME.

iv. where appropriate continue to create new strategic partnerships with non-national museums and science centres

v. continue to administer the PRISM Fund

vi. develop use of Wroughton as the National Collections Centre for the benefit of the wider museum community, in line with an agreed site development plan

vii. continue to act as adviser to the Heritage Lottery Fund

viii. explore the possibility of building partnerships for electronic access to related collections in other museums

ix. through the NRM, play a leading part in the co-ordination of railway heritage policy nation-wide in partnership with the Heritage Railways Association, the Railway Heritage Committee and others.

2 Collections

a. Proportion of objects stored and inventoried to the Museums & Galleries Commission's standards

The Museum seeks to acquire, store and inventory its collections in accordance with the standards of the Museums & Galleries Commission. The categories are:

i. Acquisition and the care of Large Objects
ii. General Collections
iii. Library and Archive Collections
iv. Photographic Collections

Each year, indicators are collected for each category. Overall the Museum will aim to maintain the performance for all categories and to effect an improvement in at least one by a minimum of 2% in each of the years covered by this agreement. The maximum target level for each category is 98%.

b. Number of staff publications in journals and books

Despite the pressures of the gallery development programme, the scholarly interpretation of the collections, the public understanding of science and of contemporary issues must remain of importance. For the purposes of this performance indicator, one book is taken to be equal to 5 refereed articles. The museum expects that a regular level of predictability can be achieved only over a five year period. Publication dates can also vary for reasons outside the Museum's control.

Number of published refereed articles

Year	1998-99 Target	1998-99 Estimate	1999-2000 Target	2000-01 Target	2001-02 Target
Science Museum	21	27	*18	20	20
NMPFT	15	15	20	20	20
NRM	12	13	18	12	12

*The reduction in the period 1999-2000 reflects the huge demands placed upon staff by the opening of the Wellcome Wing.

c. Access

The Museum encourages physical access to the whole of the collections and will continue to optimise physical and electronic access within the constraints imposed by financial and human resource availability. Access to collections is afforded by:

- Booked visits to the collections at Blythe House for researchers and the public
- The Science Museum library and archives
- Events, open days and booked visits to the collections at Wroughton
- Public and booked visits to the Research Centre at the NMPFT
- Public and booked visits to the collections and library at the NRM

The Museum will continue to explore the application of new technology (IT/interactive) to enhance access to its collections. Development of the NMSI Website will continue, along with methodology to monitor usage and customer satisfaction.

3 Communication

a. The Museum will promote an outreach programme of loans and exhibitions across the country and abroad. Because of the huge variation in nature, size, complexity and duration of loans and exhibitions a pure numerical indicator is not meaningful and reporting will be by a statement of achievement. Examples will include touring exhibitions such as Science of Sport and Science Box together with objects and collections on loan such as locomotives and rolling stock on loan to railway preservation groups.

b. Achieve planned number of temporary exhibitions within NMSI

The aim to communicate issues in science and technology is realised through a number of means. Of key importance in recent years has been the development of a coherent and consistent programme of events, gallery drama, guided tours, temporary exhibitions, exhibition updates and Science Nights. Again, because of the variation in nature, size and complexity of events and temporary exhibitions, the numerical performance indicators will be supplemented with a statement of achievement.

Despite financial pressures and extensive capital projects at all main sites, the Museum aims to run:

Temporary exhibitions and updates

Year	1998-99 Target	1998-99 Estimate	1999-2000 Target	2000-01 Target	2001-02 Target
Science Museum	13	20	14	12	14
NRM	6	6	6	6	6
NMPFT	9	9	9	9	9

Again the fall at the Science Museum in partly reflects the impact of the building and fit out programme leading up to the opening of the Wellcome Wing and is partly the result of cost cuts necessary to balance the Museum's management account.

c. Training and development of NMSI staff

Reporting will be in the form of a statement of achievement. The Museum will:

i. Continue its successful graduate recruitment and training programme, subject to budget and resource constraints. The current target is to recruit four new graduate trainees to begin in September 1999.
ii. Carry out a comprehensive training needs analysis and implement an integrated training programme ahead of the opening of the Wellcome Wing
iii. At the NRM continue to implement the training programme linked to the award of Investors in People
iv. At NMPFT complete the training programme linked to the reopening of the new Museum
v. Continue to provide training opportunities, work placements and secondments for other organisations within the museum and wider educational sectors
vi. Continue to exploit similar opportunities provided by other organisations
vii. Continue to provide appropriate training and development for volunteers

4 Resources

The Museum aims to ensure that all resources available to it are managed effectively and efficiently. The Museum aims to balance its Management Account annually. The following indicators will be targeted to within a tolerance of 2%:

a. Ratio of actual to planned income (excluding sponsorship)

b. Ratio of actual to planned expenditure (excluding sponsored activity, exceptional and extraordinary items)

c. Efficiency

Optimum efficiency is an ongoing goal of NMSI. Appropriate efficiency gain targets will be specified for the period of this Funding Agreement and will be finalised once the outcomes of the DCMS Efficiency Review are available.

d. Sponsorship

Sponsorship will continue to be of vital importance to the Museum - in its own right and to provide collateral funding for Lottery bids. The cost of the sponsorship function as a percentage of income generated is an important indicator of efficient management and accountability. On the basis of a three

year rolling average (in order to even out up front costs), the Museum aims to spend no more than 15% of the money raised on direct administration.

Absolute quantified sponsorship targets are difficult to set in a meaningful way because achievement is subject to many variables outside the control of NMSI, including opportunity and competition from other projects, for example the Dome. The guideline intent for 1999 / 2000 is £3m.

e. Stewardship of assets

One important goal of the Museum is the prudent stewardship of all assets, including land, buildings, fixtures and fittings. It is recognised that to achieve short term revenue cost savings in order to balance the management account, funds have over the past few years not been available to carry out anything other than essential asset maintenance, for example building repairs. The Museum has tracked these carefully and at the end of March 1999 the list of premises works required going forward on a five year time horizon is just over £7 million. The Museum will factor this into future funding requests to DCMS, providing detail on the proposed projects, their recommended timescales and their criticality.

It is recognised that if additional funding is not available for these projects then the Museum will need to divert financial resources from other areas of its activity directly serving customers and collections.

f. Capital programmes: Meeting critical path objectives

For each initiative within the capital programme progress against key milestones and against budget is closely monitored by both the Trustees and the Funding Bodies.

In 1999-2000 NMPFT will complete the total re-development of the Museum on time and within budget, including the restoration and upgrading to 3D of the Imax facility. NRM will complete and open *The Works* on time and within budget. The Wellcome Wing project will progress on time and within budget towards its scheduled opening in June 2000. From 1999-2000 onwards the Museum will develop Wroughton as the National Collections Centre, for wider public access to and cost effective care of collections of national significance.

As part of the reporting process the Museum will provide information on the progress and completion of capital programme works against programme milestones and budget.

Operational fit: Table showing how the Museum's performance indicators map against DCMS objectives

N = Numerical target
S = Statement of achievement provided as part of reporting process

DCMS objective Museum performance indicator	Report type	1 Market	2 Access	3 Education	4 Excellence	5 Lottery	6 Social
Visitor numbers	N	√	√√	√			√
First time visits	N	√	√√	√			√√
Repeat visits	N	√	√	√			√
Free admission	S		√				√√
Educational visits	N		√	√√			√
Events programme	N + S		√	√			
Visitor satisfaction	N				√√		
Range of audience	S		√				√
Wider museum community	S	√			√		
Storage & inventory of collection	N		√		√	√	
Staff publications	N		√	√	√		
Application of new technology	S	√	√	√	√		
Loan and exhibitions outreach programme	S		√	√			√
Temporary exhibitions programme	N + S		√	√			
Training	S		√	√	√		
Actual to planned income	N	√				√	
Actual to planned expenditure	N	√			√	√	
Sponsorship cost	N	√				√	
Stewardship of assets	S	√				√	
Capital programmes	S	√				√	

6. Performance review

Respective obligations of the Museum and the DCMS

6.1 The Museum will notify the DCMS of any major deviations of outturn from the targets and measures agreed in this document. This should be done in writing as soon as possible, and included in the appropriate half-yearly report.

6.2 The DCMS will notify the Museum of any changes to the levels of grant-in-aid promised in section 3 above which may affect the Museum achieving its targets. The DCMS will also notify the Museum if there is a change in Ministerial policy which affects the delivery of previously agreed targets.

6.3 The Museum will produce an annual review which will form the basis of an annual meeting between Ministers and the Chairman of the Board of Trustees of the Museum. This meeting should be held as soon as practicable after the end of the financial year.

6.4 Officials of the DCMS and the Museum will meet at least once a year, in addition to the meeting described in 6.3 above, to monitor progress against this agreement.

6.5 DCMS will abide by the six Whitehall Service Standards and will aim to do the following:

- To answer all external correspondence including complaints within 18 working days
- To provide to all NDPBs a contact name and telephone number within the department for any queries the NDPB may have
- Give at least 10 working days for NDPBs to supply information requested where possible. This may not be possible when deadlines have been imposed by central Whitehall departments, or in respect off Parliamentary Questions.

Signed on behalf of the National Museum of Science & Industry

..... Date
Chairman of the Board of Trustees

Signed on behalf of the Department for Culture, Media and Sport

..... Date
Secretary of State