

FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:

Cabinet

1st October 2008

APPROVAL OF MUSEUMAKER PROJECT ACCOUNTABLE BODY FUNCTION

Report of the Corporate Director Regeneration and Culture

1. PURPOSE OF REPORT

- 1.1 To seek Cabinet approval for the Council to take on the accountable body role for the *Museumaker* partnership.
- 1.2 This report is in accordance with the Council's Constitution which requires a decision as to whether the Council should act as an accountable body in relation to any project or funding programme, subject to a de minimus level of £100,000, to be reserved to the Cabinet.

2. SUMMARY

- 2.1 During 2005-7, Renaissance East Midlands via Leicester City Council piloted *Museumaker*, a groundbreaking collaborative project which aims to unlock the creative potential of museum collections by developing links between the heritage and contemporary craft sectors, funded by the Museums Libraries & Archives Council, Arts Council England and Esmée Fairbairn Foundation.
- 2.2 In light of the pilot's success, the project is now being rolled out to three new regions, London, South East and Yorkshire. The lead partners will be Leicester City Council, the Museum of London, Brighton & Hove City Council and York Museums Trust. The *Museumaker* partnership board will need to approve Leicester City Council to act as the accountable body and this report seeks Cabinet approval for this in accordance with the Council's Constitution.

3. RECOMMENDATIONS

- 3.1 Cabinet is asked to approve the Council becoming the accountable body for the *Museumaker* partnership.

4. REPORT

Accountable Body Function

- 4.1 The total budget for the three-year programme (2008/9 to 2010/11) will be c.£1.02m, with funding expected from Arts Council England, Esmée Fairbairn Foundation and the regional partners.

- 4.2 As the accountable body, Leicester City Council would receive these funds on behalf of the partnership, allocate funds to the partners and reimburse expenditure on a quarterly basis, in accordance with budget allocations agreed by the partnership board.

Risks to Leicester City Council

- 4.3 Standard terms and conditions for Arts Council England and Esmée Fairbairn Foundation will apply. Essentially, there is a risk of claw-back of funds and/or a stop on future payments should the funds not be used for the purposes applied for or within the agreed timetable.

Transferring and managing the risk

- 4.4 The partner organisations, while not all local authorities, are all principal city museum services with their own financial regulations, internal audit and risk management capacity.
- 4.5 The risk to the Council outlined in paragraph 4.2 will be limited by including appropriate clauses in the funding agreements which will be drawn up between Leicester City Council, as accountable body, and the partner organisations.
- 4.6 Regional and national governance structures will be established along PRINCE2 principles and with representation from key stakeholders, including funders.

5. FINANCIAL, LEGAL AND OTHER IMPLICATIONS

5.1. Financial Implications

- 5.1.1 Leicester City Council's position in terms of clawback of funding will be protected by an indemnity clause in the grant contract between the Council and the partner organisations. The three recipients will be paid their grant up to and not exceeding the maximum allocated to them by the partnership. Any expenditure incurred by them over that maximum will be their responsibility. No grant will be paid out until the grant contract has been signed by a responsible officer from the relevant organisation.
- 5.1.2 The costs associated with the accountable body function can be contained within existing revenue budgets within Regeneration & Culture, Arts & Museums Service.

Martin Judson, Head of Resources R. & C. (Ext. 297390)

5.2 Legal Implications

- 5.2.1 As Accountable Body the Council will ultimately be liable to the adherence of terms and conditions imposed on the Council by the funding body. To protect the Council's interests the said terms will need to be similarly imposed on any Organisation the Council is to contract with to ensure continuation of compliance or indemnity for breach.
- 5.2.2 The author of this report has been made aware of the legal issues contained within the Grant Conditions and the implications arising therefrom.

Sandy Mehta – Solicitor, Legal Services (Ext.296358)

6. OTHER IMPLICATIONS

OTHER IMPLICATIONS	YES/NO	Paragraph references within the report
Equal Opportunities	NO	
Policy	NO	
Sustainable and Environmental	NO	
Crime and Disorder	NO	
Human Rights Act	NO	
Elderly/People on Low Income	NO	

7. RISK ASSESSMENT MATRIX

Risk	Likelihood L/M/H	Severity Impact L/M/H	Control Actions (if necessary/appropriate)
A proportion of or all of the grant funds will be clawed back and Leicester City Council will be accountable should terms and conditions not be met	L – most likely issue to arise would be a change to the programme/timescale as stated but these would be agreed in advance with funders through regional and national governance structures	L – given financial regulations and governance structures, no expenditure outside of agreed budgets would be incurred without prior approval of stakeholders	Regional and national governance structures established with representation from key stakeholders including funders. Funding agreements with the three partners and Leicester City Council will transfer any risk. Financial regulations (LCC and partners) in place to ensure lawful expenditure.
	L – Low M – Medium H - High	L – Low M – Medium H - High	

8. BACKGROUND PAPERS – LOCAL GOVERNMENT ACT 1972

None

9. CONSULTATIONS

Nicholas Rimes, Accountant, Regeneration & Culture
 Sarah Levitt, Head of Arts & Museums
 Richard Watson, Service Director: Culture

10. REPORT AUTHOR

Finella Bottomley
 Renaissance Programme Manager
 Leicester Arts & Museums Service
 0116 252 7321
finella.bottomley@leicester.gov.uk

Key Decision	No
Reason	N/A
Appeared in Forward Plan	N/A
Executive or Council Decision	Executive (Cabinet)