

ARG FOLLOW-UP REPORT

ULSTER FOLK AND TRANSPORT MUSEUM (HC916)

NIAO
Report
HC916
30 July 1998

- (3) Each NDPB should have a strategic planning system general to its particular needs, including a corporate plan and an annual business plan. It should also have an effective performance measurement system.
- (4) NIAO found that the status of the Museum's Corporate Plan was unclear and that the policy parameters applicable to the Museum relied on very general statements by the Department. NIAO considers that:
 - the Department should formally advise the Museum of the policy parameters within which it is expected to operate; and
 - the annual draft Corporate Plan should be finalised by March each year to reflect the outcome of the public expenditure settlement (paragraph 2.7).
- (5) The Museum did not have in place a management statement defining precisely the relationships and responsibilities of the Minister, the Department and the Museum. This resulted in some lack of clarity and NIAO welcomes the development that the Department has a draft management statement under consideration for the New Museum (paragraph 2.11).
- (6) While the Museum had taken steps to rationalise its strategic objectives, NIAO considers that they should be reviewed further with the aim of reducing them to a more manageable number and stating them clearly in a way which allows progress in performance to be measured (paragraph 2.15).
- (7) The Museum's Corporate and Business Plans were not published. NIAO considers that the accountability, transparency and marketing of the New Museum would be improved by publication of its Corporate and Business Plans (paragraph 2.22).
- (8) In relation to performance indicators and targets, NIAO considers that:
 - the coverage of the present performance indicators should be extended to embrace all aspects of the Museum's strategic objectives (paragraph 2.27);
 - all indicators should contain an element of performance and be consistent in both Corporate and Business Plans (paragraph 2.29);

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- the Annual Reports and Accounts should report performance over time and outturn should be presented alongside agreed targets (paragraph 2.32); and
 - there should be at least one annual key target in support of each of the Museum's strategic objectives (paragraph 2.35).
- (9) In NIAO's view, the Museum could not demonstrate that it was operating a demanding performance target regime covering all of its major areas of activity. Whilst elements of performance measurement were in place, they were not integrated into the Museum's management processes, were not being widely used and therefore had limited impact on decision making. Overt target setting and monitoring of progress should be a prominent part of the Museum's corporate planning process and targets should be increasingly challenging from year to year (paragraph 2.38). NIAO recommends that the Museum's key performance targets are submitted to the Department for agreement before the start of the year to which they relate (paragraph 2.40).
- (10) NIAO notes that arm's length arrangements will apply between the Department and the New Museum. However, NIAO considers that formal Departmental involvement with the New Museum would be appropriate to discuss strategic priorities, the setting of objectives and key targets and monitoring of performance. The Department would then be in a better position to judge whether the Museum is conducting its operations in an economic, efficient and effective manner (paragraph 2.44).
- (11) The Museum has a number of income related indicators, many featuring the income derived from admissions. While the Museum has increased revenue from visitor admissions and from other activities, the proportion of its income derived from Departmental grant has remained virtually constant (paragraph 3.6). Because the Museum's performance is often assessed on the basis of the number of visitors, NIAO considers it important that the recording of visitor numbers is precisely carried out to ensure that targets are not distorted by variation in the number of non-paying visitors (paragraph 3.11). NIAO considers that recent targets for visitor admissions income have been challenging and notes that they were not achieved by the Museum over the past three years (paragraph 3.13).
- (12) NIAO found that while visitor numbers have been increasing steadily, this has not been reflected in income from the Museum's shops. NIAO recommends that the Museum should explore how it might improve the income generating performance of its shops (paragraph 3.21).
- (13) The absence of adequate reception facilities close to where visitors arrive on the Museum site means that they have no focal point from which to plan their visit. NIAO considers that the development of visitor reception facilities at the Museum's entrance would not only contribute to an improved service for customers but would also have the potential to increase the Museum's self-generated income (paragraph 3.23).

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- (14) NIAO found that the Audit Committee, formed in 1995 to promote the highest standards of financial propriety and accountability, had not been carrying out its duties properly. NIAO strongly recommends that the Board of the New Museum reviews the Audit Committee's operation to ensure that it meets its responsibilities (paragraph 3.33).
- (15) A key efficiency measure is that of unit cost of output. Although the Museum had a number of cost related indicators in place, it could not demonstrate that these were being actively used as performance targets (paragraph 4.9). NIAO notes nevertheless that staff numbers have been virtually static in recent years although the workload has increased. NIAO found that the average number of visitors per employee had increased by 25 per cent over the past five years (paragraph 4.11).
- (16) In order to ensure that as much as possible of the available resources are spent on the provision of services rather than on their administration, rigorous efficiency targets should be applied to internal running costs. NIAO therefore recommends that the New Museum formulates annual efficiency targets for savings in its administrative expenditure (paragraph 4.16).
- (17) NIAO notes that, as a contribution to improved efficiency, the Museum intended to computerise its collections management but that there has been little progress. NIAO is most concerned about the lack of progress since 1989 in developing a computerised collections management system for the Museum and recommends that the New Museum proceeds quickly with the procurement and implementation of an appropriate system (paragraph 4.20).
- (18) It is important that the Museum strives to improve its service to the public and that it is responsive to its users. The upward trend in visitor numbers over the past five years seems to suggest that the public is satisfied with the service provided. The Museum's Annual Report does not however provide information on its performance against the key Citizen's Charter principles (see paragraph 5.2). NIAO recommends that the New Museum should include in its Annual Report and Accounts details of its performance against the Citizen's Charter principles and standards (paragraph 5.4). NIAO recommends further that the Museum should have a directly stated strategic objective and a measurable target related to quality of service (paragraph 5.7).
- (19) Whilst the Museum had obtained some information from visitors and surveys on the quality of its services, in NIAO's view this was limited. NIAO considers that a comprehensive survey to ascertain both the views of customers, and also those who do not visit museums, should be carried out as soon as practicable by the New Museum (paragraph 5.12).
- (20) NIAO notes the many successful exhibitions and displays which the Museum has organised in recent years, the measures already in train to ensure that the galleries are properly staffed at all times and the steps being taken by the Museum to make the experience more meaningful for visitors (paragraph 5.20).

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- (21) As a further contribution to improving its quality of service, NIAO recommends that the Museum should devise a more effective complaints procedure (paragraph 5.23). NIAO also recommends that it should develop a comprehensive marketing strategy, together with measurable targets (paragraph 5.26).
- (22) NIAO examined the measurement of the Museum's effectiveness against the 15 stated strategic objectives. Since the Museum does not have performance targets for all of its strategic objectives, it is difficult to assess if a particular objective has been achieved. The Museum has however continued to develop its exhibits and organise a varied programme of exhibitions and events.
- (23) Museum staff members frequently provide information and advice across a range of topics and make a contribution through lectures and talks (paragraph 6.16). The targets for visitor numbers, including education users, represent a useful range of performance information which provides a good indication of the extent to which the Museum has been effective in maximising access to, and use of, its collections (paragraph 6.19). The establishment of the residential centre for education users is also making a significant contribution (paragraph 6.21).
- (24) In order to widen the scope of the Museum's performance measurement, NIAO recommends that performance indicators and associated key targets are developed, for example, in the following areas:
- Collections management (paragraph 6.7)
 - Buildings and estate management, including maintenance (paragraph 6.25)
 - Human resource management, particularly training (paragraph 6.27).
- (25) NIAO found that the Museum could only assess its degree of effectiveness in very general terms because of the lack of targets for all of its strategic objectives. A much more performance orientated approach would help to demonstrate that the Museum is providing the most cost-effective and efficient service (paragraph 6.30).
- (26) Whilst this review has been concerned with the Ulster Folk and Transport Museum, NIAO is aware that the Museum is now part of the new merged institution. NIAO considers that the issues raised and recommendations made are equally applicable to the New Museum.
- (27) NIAO recommends that the following principles should apply to the New Museum from the outset:
- a management statement should be prepared stipulating clearly the roles, relationships and responsibilities of the New Museum, the Minister and the Department;

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- **the New Museum should prepare an overall corporate plan which includes a clear strategy for the medium to long-term, concentrating on its strategic priorities and key performance targets (subsidiary plans may also be prepared by each museum);**
 - **a manageable number of strategic objectives should be agreed for the New Museum;**
 - **at least one key performance indicator and associated key performance target should be developed for each strategic objective;**
 - **an annual business or operational plan should be prepared which should include two levels of targets:**
 - (i) key performance targets related to strategic objectives; and**
 - (ii) operational targets, primarily for day-to-day management purposes; and**
 - **monitoring and evaluation arrangements should be in place covering all the key performance targets (paragraph 7.4).**
- (28) NIAO also recommends that the Department should clarify its role and agree the following with the New Museum at an early stage:**
- **the policy guidelines within which the New Museum will operate;**
 - **the procedures and timing for approval of corporate and business plans, including agreement on the key performance targets; and**
 - **the arrangements for financial planning and control and an appropriate performance monitoring and evaluation regime (paragraph 7.6).**