

## **National Heritage Memorial Fund tailored review: Terms of Reference**

**Objective:** to carry out a review of the National Heritage Memorial Fund (NHMF) including its activities operating as the Heritage Lottery Fund (HLF).

(Note for the purposes of these Terms of Reference NHMF will be used throughout and will include HLF activities unless specified otherwise)

The NHMF review will have two principal aims, represented by two stages:

- **Stage 1:** To provide a robust challenge to the continuing need for the functions performed by the NHMF. This stage will include:
  - An examination of NHMF's current remit
  - Consideration of whether NHMF's functions should continue to be delivered by a Non-Departmental Public Body (NDPB)
  - Consideration of whether the legal construct on which NHMF is currently based remains fit for purpose.
- **Stage 2:** If it is agreed that the form and functions of the NHMF should remain unchanged, to review the control and governance arrangements in place to ensure that the organisation is complying with the recognised principles of good corporate governance and delivering effectively.
- The structure, efficiency, and effectiveness of the HLF will be considered as part of both stages.

### **Areas in scope**

Within this context, the review will consider the in more detail the effectiveness and efficiency of the NHMF including:

- The NHMF's current set of functions and responsibilities, and whether there is a demand for the NHMF's functions and services from stakeholders;
- How the NHMF sets priorities, and how these priorities contribute to the UK Government's policies (including economic growth, promoting the UK overseas and ensuring the opportunities of culture and heritage are available to everyone and not just the privileged few);
  - The extent to which the NHMF successfully carries out its Policy Directions (including the Policy Directions from the Devolved Governments), and whether the content of those Policy Directions still supports the UK Government's policies or require revision.
- How the NHMF makes grant investment decisions and how it assesses the success and impact of its investments;

- How well the NHMF engages with the public and with the six principal areas in which it administers its grants (Museums, libraries and archives, land and natural heritage, buildings and monuments, culture and memories, industrial maritime/transport and community heritage) and whether current arrangements remain appropriate;
- The NHMF's approach to reaching priority organisations/groups and locations, in particular the role of the NHMF in making heritage accessible to everybody regardless of their background;
- The NHMF's role to support a more resilient and sustainable Heritage sector;
- The efficiency of the NHMF, including:
  - How the NHMF works with other organisations to reduce costs;
  - How the NHMF manages its estate;
  - How the NHMF uses digital service;
- Whether the NHMF's governance and management arrangements are sufficiently robust and transparent. In particular:
  - Whether the NHMF Board is effective, and how this is assessed;
  - Innovation at the NHMF and how it plans for the future;
  - Whether the NHMF's Governance controls follow "good practice";
  - The effectiveness of NHMF's current strategy, the role of the Board in setting and monitoring the strategy and how well the NHMF has delivered on its priorities;
  - The DCMS oversight arrangements for the HLF;
- The efficiency and effectiveness of NHMF funding for ecclesiastical heritage will be considered as part of the Churches and Cathedrals Sustainability Review, but emerging findings will feed into the NHMF review. Similarly, the Museums Review emerging findings will also feed into the NHMF tailored review, and the NHMF Review will help to inform the Museums Review.