

## **Service Level Agreement between the Department of Arts, Heritage and the Gaeltacht and Limerick City and County Councils**

### **1. Introduction**

The purpose of this Service Level Agreement (SLA) between the **Department of Arts, Heritage and the Gaeltacht** (hereinafter referred to as the Department) and **Limerick City Council** (hereinafter referred to as the Council) is to ensure that resources allocated by the Department for the Limerick City of Culture are used in an effective and cost effective manner to deliver quality services to the public. The SLA sets out the key deliverables for the Council in respect of an expenditure grant and describes the Department's actions and requirements relating to the issue of the grant in 2014.

This SLA stems from the Heads of Agreement entered into with the Council on 6 January 2014. Together the Heads of Agreement, the SLA and the letter of approval (the Agreement) shall constitute the contractual underpinnings of the relationship between the Department and the Council. At all times they should be read together.

This SLA may only be amended by agreement between the Department and the Council and such amendment will be documented and shall then form part of the corpus of agreements underpinning the relationship between the parties.

The Council shall complement and supplement this agreement by entry into an SLA with Limerick National City of Culture 2014 Limited.

### **Limerick City of Culture 2014**

In June 2012, the Minister for Arts, Heritage and the Gaeltacht announced the introduction of a new National City of Culture Initiative for Ireland. Limerick City was selected as the first designated Irish City of Culture and its designated year is 2014. The City of Culture initiative is modelled along the lines of the European Capitals of Culture, which is a highly-prized designation with a proven record of boosting the positive cultural development of cities. Limerick, in its application, pointed out that it holds a Charter which is older than that of London and has a wealth of culture, much of which is underdeveloped and in need of elevation. Limerick plans a comprehensive programme of arts, culture and heritage events, which will enable Limerick to unlock deep and positive change in its community, allowing it to more effectively target disadvantage and pass on a powerful and purposeful legacy to its citizens and to future generations.

**The objective of the City of Culture Initiative is to deliver a programme of arts, culture and heritage events and engagement in a city for one year in such a way as to lead to a permanent increase in the engagement of its citizens with arts and culture in the longer-term.**

The Department will provide a once-off expenditure grant of no more than €6,000,000 to the Council in 2014 for the **Programme of Arts, Culture and Heritage Events** (hereinafter referred to as the Programme) to be presented in Limerick during 2014 as part of the Limerick City of Culture 2014.

- 1) The funds are provided for arts, culture, heritage and Irish language events comprising the Programme and occurring between the dates of 31 December 2013 to 31 December 2014 inclusive. The qualifying expenditure relating to the events may occur outside of these dates.
- 2) A maximum of 12.5% of the grant expenditure may be applied by Limerick City Council to defray **administrative costs** demonstrably and directly associated with the Programme events funded by this grant. This is subject to a limit of €750,000. Such administrative component shall not include local authority salary costs or overhead apportionment.
- 3) In general terms, the Department will pay the Council in arrears in respect of eligible expenditure incurred, including qualifying administration costs subject to the limits set out above, the Council will be responsible for the provision of working capital to Limerick National City of Culture 2014 Limited. However, separate arrangements will apply in respect of the *Made in Limerick* programme strand, as set out in paragraph 4) below.
- 4) An amount of up to €2.26m of the total programme allocation may be dedicated to the *Made in Limerick* programme strand - a grant scheme for City of Culture projects, following a public call for applications.

A listing of the 102 qualifying grantees under this strand of the programme is provided at **Annex 3**.

As this is a grant scheme, the Department may make payments in advance to Limerick City Council in respect of the *Made in Limerick* strand. The relevant drawdown arrangements are set out in the Key Deliverables section below.

- 5) The grant is subject to full oversight by the Comptroller and Auditor General.
- 6) Limerick City Council will submit to the Department the Programme which it plans to fund from this grant. The Programme should have specific details of programming, cash-flow and expenditure for the first two months and outline details for the remainder of the year. At each drawdown date, an updated Programme will be submitted and should contain the specific details of programming, cash-flow and expenditure for the subsequent two monthly period.



- 7) A representative of the Department will be entitled to attend, as an observer, all meetings of the Board of Limerick National City of Culture 2014 Limited (hereinafter referred to as the Board).
- 8) The Department may enquire and request further information document and verification in relation to any of the requests for drawdown.
- 9) Payments by the Department for the Programme will approximate to the following drawdown schedule:-

2014	drawdown schedule
January	
February	€1,500,000
March	€1,000,000
April	€500,000
May	€750,000
June	€500,000
July	€500,000
August	€500,000
September	€250,000
October	€250,000
November	€250,000
December	

- 10) An amount of €250,000 will be retained until 15 October 2014, in order to ensure that all agreed arrangements have been fulfilled.
- 11) All of the funds must be drawn down to the extent feasible and allowable in 2014.
- 12) A protocol will be prepared and signed at official level on enabling funding arrangements for legacy and commissioning projects. The protocol will form an addendum to this SLA.

#### **Key Deliverables by Limerick City Council**

The grant is dependent on the Council's ability to demonstrate and verify the delivery of the actions described below, in addition to any other performance monitoring processes that may be introduced with the agreement of both parties. The Council will -

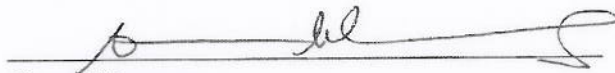
- i. Apply in writing for each drawdown of the grant;
- ii. Each request for payment, other than at 4) above in respect of the *Made in Limerick* programme strand, should be accompanied by :-

- a) an updated Programme with specific details of programming for the subsequent two monthly period;
  - b) an updated cash-flow statement;
  - c) a certificate signed by an auditor or Director of Finance with attendant schedule of paid invoices (*template at Annex 2*);
  - d) certification that Public Procurement Procedures have been followed in respect of the qualifying expenditure for which funds are being drawn down (*template at Annex 5*);
  - e) categorisation of expenditure into the headings below (*template at Annex 3*);
    - a) administration; and
    - b) other programming;
  - f) a valid Tax Clearance Certificate and certification that the suppliers, etc., the subject of the claim, are tax compliant; and
  - g) where applicable for administration expenditure, the procedures followed under Public Financial Procedures and Public Procurement Procedures, e.g., obtaining tax clearance certificates and following relevant public procurement procedures and guidelines.
- iii. Provide, in respect of the Made in Limerick programme strand, a list of the qualifying grantees and of amounts of those grants, along with a report on the selection process used for their award and drawdown procedures, including compliance with the relevant requirements of Department of Finance circular 17/2010 (Annex 6), through the relevant reporting template. This means that each grantee should be required to acknowledge the grant in its annual report and accounts including an acknowledgement of the funder as the source of the grant.
- iv. Provide, in respect of the Made in Limerick programme strand, a monthly statement giving the amount of the grant which has been disbursed to date and that remaining, together with confirmation that grantees have provided the necessary tax clearance certificates (*template at Annex 4*);
- v. Provide a report on the infrastructure in place for the management, administration, accountability and reporting procedures in respect of the Programme. This should include the name of a contact individual for queries from the Department in the Council and also in Limerick National City of Culture 2014 Limited;
- vi. Provide statistical material, briefing material and other information on Limerick City of Culture as required from time to time by the Department in 2014 and for a period of six years thereafter;
- vii. Provide material to the Department for written responses to any correspondence sent to the Minister about processes and procedures in the distribution of this grant as required from time to time by the Department in 2014 and for a period of six years thereafter;



- viii. Provide monthly reports to the Minister on the progress in regard to the Programme;
- ix. Ensure compliance with public administrative procedures and practices in respect of the expenditure of, reporting on and accounting for these funds;
- x. Ensure that there is fairness and transparency in the allocation of grants and monies disbursed from this grant to the arts, culture and heritage communities;
- xi. Acknowledge this funding in all its publicity by inclusion of the Department's logo and a written acknowledgement in any reports/publications or promotional materials;
- xii. Surrender any balance of the grant that remains unspent at year end;
- xiii. Undertake to provide an audited account to the Department on or before 28 February 2015 giving a detailed breakdown of the expenditure of this grant and of income, expenditure and asset situation for the entire Programme;
- xiv. If following the preparation and presentation of the audited accounts, it becomes apparent that all grant monies drawn down from the Department were not spent in accordance with this agreement, then the excess will be repaid to the Department. Such excess shall be deemed a contract debt, recoverable in any Court of competent jurisdiction.
- xv. The asset register provided for at point 17 of the Heads of Agreement, along with all paid invoices on which this grant is expended, should be retained together for a period of at least six years and be made available for inspection by officials of the Department. Inspections by officials of the Department will be arranged in advance in agreement with the Council;
- xvi. Ensure that maximum value for money is obtained with due weighting to qualitative principles;
- xvii. Provide details of any changes in the Programme, as provided for under point 6 of the Heads of Agreement, to the Department for agreement with 14 days advance notice. Only Programme changes agreed by the Department and the Council will be eligible for funding;
- xviii. Use Culturefox to promote its events. Culturefox is free to use for both event organisers and potential audience members and allows events both with and without an entry charge to be promoted. The Department requires all grant-aided organisations to use Culturefox;

- xix. As the Department reports on all of its expenditure to the Public Accounts Committee, and the Department's account is audited by the Comptroller and Auditor General, this Service Level Agreement reserves the right and entitlement of the Comptroller and Auditor General to examine, query or audit the documentation of the expenditure of these funds at any time during or after 2014. This right shall persist, the role of the Local Government Auditing Service notwithstanding.



**Conn Murray**

**Manager Limerick City and County**

**Date:**



**Jimmy Deenihan, T.D**

**Minister for Arts, Heritage and the Gaeltacht**

**Date:**

24-2-14