

Creating a Memorandum of Understanding

Summary

This advice note provides advice on memorandums of understanding. It provides an outline example of a memorandum of understanding as well as advice as to when this may be applicable to use.

This is one of a series of advice notes – others can be found on our website at theatrust.org.uk/how-we-help/advice/advice-notes and we'll be adding more to this over the coming months.

Who is this note for?

This advice note is intended for community / volunteer groups who are working to save or revive a theatre in their area.

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Purpose of a memorandum of understanding

A memorandum of understanding (MoU) is used to formalise a partnership between organisations when working on a specific goal. It is often used when community groups come together with other vested parties to form a stakeholder group to carry out an element of work, for example a viability study or feasibility report. It is not a legally binding document but has a moral force indicating the intent of all parties to progress with a specified project / piece of work.

A MoU will broadly outline the agreement that is in place relating to commitment, resources, and other considerations that each of the parties will bring to the partnership. It should provide detail as to the organisations involved, a background to explain why the partnership / stakeholder group is being formed; what the partnership intends to achieve; and outline the activity that the partnership will be taking forward to achieve their objective.

It should also outline how decisions are to be made and how each group is to be represented within the decision making process, for example one vote per organisation. It will also establish who is to be responsible for contracting works and who is to take responsibility for paying and managing the consultant and / or for project management of the works. Clear parameters as to the extent of the works should be set.

An example of a MoU is provided below.

Example memorandum of understanding

[Add name of theatre] **Stakeholders Group**

Memorandum of Understanding

Date: [add date]

1. Summary

[Add names of stakeholder members], are all member organisations of the [add name of theatre] stakeholders group [henceforward known as the stakeholders group]. The stakeholders group has agreed to work together to support [add name of charity / friends group] to identify an optimum and beneficial viable use for [add name of theatre] through undertaking a viability study in the first instance.

2. Timescale

The stakeholders group will continue in place until the viability study has been concluded or until such other date as to be mutually agreed, although there will be provision for any member organisation to leave the stakeholders group at any point (see 4. below).

3. Process

In order to achieve the viability study, the stakeholders group agree to contract a consultant or consultants to deliver the viability study to an agreed brief and timescale, and to manage the consultant through the process.

All member organisations are to have an input into the development of the brief (including budget) and the selection of consultant, and will be part of the consultation process that the consultants undertake. At various points in the consultation process there will be a need for decisions to be made, and all member organisations will have a role in this decision making process. Due to the pressure of time, it may not be possible for all member organisations to be present at all events, but the stakeholders group and the consultant will endeavour to ensure that consultation extends to each member organisation. It may also be necessary for the stakeholders group to delegate authority to smaller committees when necessary (e.g. the interview process for consultants).

4. Way forward

Following the conclusion of the viability study, the stakeholders group will decide how to progress. This may involve taking on the recommendations of the viability study, in their entirety or in part. It is noted that this may involve taking on the recommendation that there is no viable future for the theatre. It may also be possible for some member organisations of the stakeholders group to take forward the recommendations of the viability study, whilst others decide to leave the stakeholders Group.

A version of the viability study will be publically available following the conclusion of the viability study, although some aspects may need to be redacted for reasons of financial confidentiality.

5. Decision making and representation

Each member organisation of the stakeholders group has an equal role in any decision-making by the stakeholders group.

The stakeholders group commits to meet regularly through the period of the viability study.

Because of the tight timescale for the project, there may well be a need to make decisions at meetings where not all member organisations are present. The requirement for any significant decisions will be flagged up in advance, usually in the agenda for such meeting, so that member organisations that are not present can make their views known to the Chair in advance.

Named representatives of each member organisation will be sent information about and correspondence relating to the stakeholders group, and the names of those representatives are detailed in section 8 below. Attendance at each stakeholder group meeting will not be limited to named representatives, but in the event of there being several representatives from one member organisation present at any meeting, the member organisation will still only be entitled to one vote.

Each member organisation representative will be responsible for disseminating information among their organisation in the way that is appropriate for their organisation. They will also be responsible for establishing a consensus amongst their organisation in a way that is appropriate for that organisation, so that they can represent their member organisation within

the stakeholders group. As the designated lead of their organisation it is their role to help drive the project forward and ensure progress of partnership activities.

6. Fundraising

It is agreed that all member organisations will support the fundraising activity that is needed to ensure that funds are in place to commence the viability study. It is recognised that *[add name of charity / friends group]* will lead on all fundraising activity with support from other members of the stakeholder group.

7. Contractual/finance/administration

It is agreed that *[add name of organisation]* will contract the consultant for the viability study and take responsibility for paying and managing the consultant. They will be responsible for the project budget, and of advising the stakeholder group immediately of any budgetary concerns.

[add name of organisation] will provide project management services for the stakeholder group; designated lead *[add named representative from member organisation who will lead on this work]*.

All project communication is to be issued through the designated project management lead named above. They will be responsible for the distribution of all relevant information to the named representatives within the member organisations.

8. Member Organisations and Named Representatives

The member organisations that form the stakeholder group are listed below together with the named representative(s) of each organisation.

Organisation	Named representative(s)	Contact details
<i>[add details]</i>	<i>[add details]</i>	<i>[add details]</i>

The role of the Theatres Trust

Theatres Trust is the national advisory public body for theatres and are a statutory consultee on theatres in the planning system. We provide a free advice service for anyone looking to save, restore or revive theatres. We campaign for great protection for theatres and raise the profile of those most under threat through our Theatres at Risk Register.

Contact us at advice@theatrestrust.org.uk with information about your theatre and how we can help.