

Banbury Museum Trust Project

Issues and Options Report for the Project Board

Cherwell District Council



Revision History			
Version	Revision Date	Previous Revision Date	Summary of Changes
1			Initial version
2	9 May 2011		Revised recommendations, finance section added, IT section added, governance section amended
3	12 May 2011	9 May 2011	Minor revisions to Property section, addition of project budget, revision on Board size/structure
4	1 June 2011	12 May 2011	Changes from Project Board 23 May
5	3 June 2011	1 June 2011	Final amendments for CMT
6	12 July 2011	3 June 2011	Initial amendments including Board recommendations
7	14 July 2011	12 July 2011	Feedback from Project Team members
8	16 September 2011	14 July 2011	Outcome of meeting with Finance; new section 1, clarification of finance position, Project Board meeting decisions updated.

Issues and Options Report

Executive Summary

This report sets out the findings and options available to the Council in establishing a Trust for Banbury Museum and Visitor Information Centre. It supplements the Interim Chief Executive's report to the Executive on the Value for Money Review of Culture and Heritage of 10 January 2010, wherein the Executive agreed in principle to transfer operation of the Museum and Visitor Information Centre to a bespoke Trust developed for the purpose from 2013/14.

At its January meeting the Executive resolved:

“(4) To agree in principle subject to further assessment, to transfer the operation of the Museum and Tourist Information Centre (TIC) into a bespoke Trust developed for the purpose from 2013/14, saving an estimated £64,000 in NNDR”

“(5) To ask officers to bring a detailed report on the creation of a Trust for the Museum and TIC to a future meeting.

The purpose of this report is to provide the Project Board and CMT with information to make key decisions that need to be taken as part of a move to Trust status. It will form an Annex to the October 2011 report to the Executive.

The Project Team seeks endorsement from CMT that the Executive be recommended:

1. To approve the creation of a charitable organisation to deliver museum and visitor information services at Banbury Museum, subject to the agreement of the National Heritage Lottery Fund and Oxfordshire County Council;
2. In relation to the charitable vehicle used for the creation of the trust:
 - a) To endorse the use of a Charitable Incorporated Organisation as the preferred vehicle, adopting the 'Foundation' model constitution, with objects suited to the establishment and maintenance of a museum and the advancement of local arts, culture and heritage; and
 - b) To endorse the use of a Company Limited by Guarantee (having charitable status and pursuing identical aims) as an appropriate alternative legal structure for the trust in the event that the preferred vehicle in Recommendation no. 1(a) is not available.
3. To approve the working name of the Trust as 'Banbury Museum Trust', with the final decision on naming to be taken by the Trust's Shadow Board.
4. To approve the establishment of a Board of Trustees comprising at least 5 members and including a Council member (to be nominated by the Executive for this purpose), with the number of Council members rising to two should the size of the Board increase to 10 or larger.
5. In relation to the appointment of such Trustees:
 - a) To permit the Project Board to interview suitable candidates for Shadow Chairman, any such appointment to be confirmed by the Executive soon after its October 2011 meeting;
 - b) To permit the Shadow Chairman, in consultation with the Project Board, to select, via advertisement or other effective process, suitable candidates for membership of the Shadow Board (in addition to those Council members nominated to the Board pursuant to Recommendation no. 3 above); and

- c) To authorise the relevant Head of Service to invite the Shadow Chairman and (non-Council) members of the Shadow Board to undertake those roles permanently upon establishment of the Trust.
6. To approve retention by the Council of the freehold of the Museum building and Bridge Gallery, granting, instead, a lease of it to the Trust for a minimum period of 30 years, and to authorise the appropriate Head of Service, in consultation with the Lead Member for Environment, to negotiate suitable terms for such a lease with the Trust on this basis.
7. In relation to other arrangements for the letting of the premises in addition to the lease of the Museum and Bridge Gallery referred to in Recommendation no. 6:
 - a) To sub-let to the Trust the Visitor Information Centre/LinkPoint (including Tooley's Boatyard) (subject to the consent of the Council's head landlords, Scottish Widows and British waterways) for a like period of 30 years and the appropriate Head of Service be authorised, in consultation with the Lead Member for Environment, Recreation and Health, to negotiate suitable terms for such sub-lettings to the Trust; and
 - b) To make provision for the Council occupy the LinkPoint area under a licence from the Trust, such licence to be determinable by either party on 6 months notice, to avoid granting the Council exclusive possession of the area and, being personal to the Council, the benefit of the licence to be incapable of transfer to any other occupier.
8. To approve the Council's retaining responsibility for the maintenance of the exterior, structure and principal plant of the premises let to the Trust (subject to any prohibitions contained in the Scottish Widows and British Waterways leases proposed to be sub-let to the Trust pursuant to Recommendation no. 7) so that the Trust shall only be responsible for interior maintenance and decoration.
9. To approve the transfer of the Museum Café contract and ancillary Licence to the Trust, such that the same would henceforth be managed by the Trust either directly or through a trading company set up by the Trust for this purpose, with the future operation of the café upon the termination of that arrangement on 13 January 2013 to be determined wholly by the Trust.
10. In relation to the transfer of staff:
 - a) To note the need to transfer those staff identified as being affected under TUPE requirements and commence a formal consultation process following the Executive resolution to proceed with the formation of the Museum Trust;
 - b) To seek Community Admitted Body status for the pensions of transferred staff, or an equivalent scheme should this not be possible;
 - c) To agreed to continue to pay contributions as at present on past pensions liabilities and require the Trust to take out a bond to fund any possible future liabilities should the Trust fail;
 - d) To limit the Council's future liability for redundancies relating to transferred staff to three months after the transfer date, and to establish a bond to fund this liability.
11. To approve the provision of ICT services (internet, telephony, email, website) by the Council to the Trust under a stand alone service level agreement between the Council and the Trust, for which the Trust will be charged a service fee, with the following exceptions:
 - a) An independent internet connection be established for the Trust;
 - b) A dedicated colour laser printer be procured for the Trust;

- c) Existing PC equipment be gifted to the Trust; and
 - d) The Trust take out its own licences for the software it will use
12. To establish a shadow budget for the Trust from 2012/13, based on initial assumptions, and use this as a baseline for negotiation with the Shadow Trust Board in establishing a final financial allocation.
 13. To approve an initial financial allocation of £15,000 to the Project for 2011/12 in order to obtain the specialist advice, relevant consents and approvals and other services needed to create the Trust and transfer assets to it.
 14. To approve the transfer of the museum undertaking and the VIC service, and, where permissible, the Council's interest in any contracts wholly connected with the same which are not expressly considered elsewhere in this report, to the Trust upon its creation.
 15. To ask the Executive to consider any implications arising from the Local Authority Resource Review (Localism Bill) that impacts upon the savings potential of this project prior to implementation.
 16. To note the timetable for the transition to Trust status proposed by DCA Consultants.

1. Existing Agreements

In 1998, Cherwell District Council won a £2.2 million grant from the National Lottery to relocate the Museum to a new purpose-built, town-centre site. In addition it raised a further £250,000 through 58 benefactors on the basis a new museum would operate for a minimum of 25 years. The Heritage Lottery Fund required a contract to protect its £2.2m investment. The 25 year contact with Cherwell District Council (expires 2023), requires the Council to retain ownership, maintain the building and Museum Service, and it binds the displayed loaned collections to the Museum.

Once constructed, both the museum and the museum collection (accumulated by the Council, as a condition of the grant, under minimum 25 year loan agreements with Oxfordshire County Museum Services and British Waterways) were required to remain fully accessible to the general public throughout the period of 25 years beginning on the date of the agreement. No other purpose is permitted under the terms of the agreement until its expiry in 2023.

The continued operation of the museum is bound up with the funding agreement for its construction through the National Lottery grant. The circumstances demanding repayment of the original grant, which will apply until the agreement expires in 2023, include (i) failure to use the museum for the purpose described in the Council's original grant application (i.e. as a public museum) (ii) a material change in status of the Council and (iii) failure to comply with the terms and conditions of the agreement, although grant may not be required to be repaid if, in the case of (i) or (ii) above, such is preceded by a resubmitted grant application approved by the National Heritage Memorial Fund (NHMF).

The proposal to create a bespoke Trust to operate the museum represents a material change to the original agreements, and so any decision of the Council to pursue this option will need to be subject to securing the necessary agreements of the two organisations in question. As long as a public museum service continues to be maintained on the site, any claim for a total or partial refund of the grant received from NHMF, whilst plausible, is not anticipated. Similarly, the change to the agreement with Oxfordshire County Council is anticipated to be acceptable.

<p>Recommendation 1: To approve the creation of a charitable organisation to deliver museum and visitor information services at Banbury Museum, subject to the agreement of the National Heritage Memorial Fund and Oxfordshire County Council.</p>
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2. Governance issues

2.1 Model of Trust to adopt

The term 'trust' in this report is used to describe the organisation whose primary purpose will be, upon its creation, to establish and maintain a museum and visitor centre pertaining to local history, heritage, arts and culture for the benefit of the public and the advancement of education..

Since its business structure will require it to reinvest any profit in services or business growth rather than be distributed amongst its members, such a body may also be described as a 'non profit distributing organisation' (NPDO).

The Council can choose to create the museum trust from a variety of existing NPDO structures:

- Company limited by guarantee (with charitable status)
- Community Interest Company
- Industrial and Provident Society

The characteristics of each are described in the Table below:

Type of NPDO	Characteristics
Company Limited by Guarantee (with charitable status)	<p>The members of the company give a guarantee for a nominal sum which is the maximum they will be required to contribute if the company were to be wound up. However, where the company's objects are exclusively charitable, <i>as they would need to be to achieve the savings described in this report</i>, then the body would need also to be registered as a charity and subject therefore to 2 regulatory regimes (under the Companies Act 2006 and the Charities Act 2006). The Council is also constrained, viz CLG membership, by the nomination ceiling imposed by the provisions of the Local Government and Housing Act 1989 and the Local Authorities (Companies) Order 1995 which, together, are designed to ensure that local authorities do not evade financial and propriety controls by establishing controlled or influenced companies to discharge their function (in consequence of which no more than one fifth of CLG board membership can comprise local authority nominees).</p> <p>These issues notwithstanding, establishing the trust through the creation of a CLG (with charitable status) remains the best alternative should the preferred vehicle in Recommendation no. 1(a) be unavailable to progress the project within the timescale referred to in section 6 below.</p>
Community Interest Company	This is a relatively new model designed for enterprises that want to use their profits and assets for the public/community good, but a CIC cannot be a charity and so would be unable to secure the savings identified

	elsewhere in this report that are commensurate with such charitable status.
Industrial and Provident Society	There are 2 types of IPS, the bona fide co-operative (which conducts its business for the mutual benefit of its members) and the society formed for the benefit of the community (which, as its status implies, acts in the interests of the community). Where the IPS's objects are exclusively charitable then, again, the body would need also to be registered as a charity and subject therefore to regulation by both the FSA and the Charities Commission. Further, an IPS is an open membership organisation with autonomous, democratic member control and as such may not be considered suitable for delivering the museum service in all the circumstances described in this report

However, the Charity Commission are introducing a new legal form for charitable status known as a Charitable Incorporated Organisation (CIO) which is not a limited company or subject to company regulation, and is designed to obviate the need for charities to be both Companies Limited by Guarantee and Charities (thereby coming under dual regulation). As CIOs are always incorporated, they will be separate legal entities and their members will have either no liability or limited liability (usually a nominal sum of £1 or £10, but it can be any agreed sum). Unlike some of the other forms used by charities, CIOs will only register with and report to the Charity Commission, not to Companies House or the Financial Services Authority.

A CIO is suited for a charity that will:

- Own land in its own name
- Control substantial assets
- Enter into contracts, for example by employing staff, or
- Engage in charitable activities involving financial risks

A CIO can be created by adopting either of two model constitutions:

- The 'Foundation' model – where the only voting members will be the charity trustees
- The 'Association' model – where a wider membership, including voting members other than the charity trustees, is anticipated. Such extended membership could include Council members.

It is anticipated that the size of the Board of Trustees will, initially, be fairly small. In this case, it would be prudent for all trustees to be also the only voting members, which would require the use of the Foundation model. Initially, therefore, all key decisions affecting the trust would be taken by the charity trustees themselves. The trust could later change its constitution to the 'Association' model if it should ever desire a wider voting membership.

CIOs were created by provisions in the Charities Act 2006 and are expected to come into force, following a consultation procedure on the secondary legislation implementing them in autumn 2011. However, it would be prudent to make provision for an alternative charitable vehicle to use should the necessary statutory instrument(s) experience further delays and so not be available. In these circumstances a Company Limited by Guarantee (with charitable status) would be the most appropriate to use.

Recommendation 2: In relation to the charitable vehicle used for the creation of the trust,

- a) To endorse the use of a Charitable Incorporated Organisation as the preferred vehicle, adopting the 'Foundation' model constitution, with objects suited to the establishment and maintenance of a museum and the advancement of local arts, culture and heritage; and
- b) To endorse the use of a Company Limited by Guarantee (having charitable status and pursuing identical aims) as an appropriate alternative legal structure for the Trust in the event that the preferred vehicle in Recommendation no. 1(a) is not available.

2.2 Name of Trust

The process of choosing a name for the CIO is important. In the first instance, the Charity Commission, which regulates the activities of charities in the UK, has fairly strict guidance on accepted names for charitable trusts. Furthermore, it is not permissible to choose a name that is similar or identical to that of an existing charity. If, also, the charitable trust is to appeal to members of the public, it is important to remember that the name will be what the public sees first, and so it should be memorable and descriptive.

It would be appropriate for the Trust itself to agree its own name, along with its purpose, but in order to progress with the establishment of the Trust a working name would be expedient at this stage of process.

Recommendation 3: To approve the working name of the Trust as 'Banbury Museum Trust', with the final decision on naming to be taken by the Trust's Shadow Board.

2.3 Structure of the Board of Trustees

The Museum Association's definition of a trustee is a member of the governing body of a museum trust, whether or not titled as such.

Guidance on the size and structure of a Board of Trustees is set out in the Renaissance document *"Moving to Museum Trusts: Learning from Experience pt2 The Process of Devolution"*.

As a CIO is not subject to the provisions of the Local Government and Housing Act 1989 nor the Local Authorities (Companies) Order 1995 (where, as previously mentioned, no more than one fifth of CLG board membership can comprise local authority nominees) the Council can determine the number of nominees it may propose from amongst its Members for membership of the CIO board. As the size of the Trust will be relatively small it would seem prudent to keep the size of the Board (at least initially) fairly small as well, and so it is proposed that this comprises a minimum of 5 Trustees. In order that the Council has representation on the Board but that this is not at a level that impacts on the independence of the Trust, it is proposed that one Council member be nominated as a Trustee. Should the Trust grow to a larger size (above 10 Trustees) then it would be appropriate for the Council's membership to increase to two members.

Recommendation 4: To approve the establishment of a Board of Trustees comprising at least 5 members and including a Council member (to be nominated by the Executive for this purpose), with the number of Council members rising to two should the size of the Board increase to 10 or larger.

2.4 Appointment of Trustees

Trustees play an essential role in the governance of charities. They also have a lot to contribute to their success. For example they can:

- serve as a means of communication with communities that a charity exists to serve;
- bring valuable professional or other experience to charities, particularly legal, financial and fundraising; and
- help to ensure that charities are well-managed through the appointment of senior executive staff

Ideally, Trustees should not only be knowledgeable in heritage, museum or learning but also have business, professional or management experience. In particular, it is ideal if the Board can harness additional added value skills including:

- Finance
- Strategic planning
- Legal
- HR
- Asset management
- Community development

The Charity Commission believe that the governance of charities will be improved where trustees are recruited from a wide range of backgrounds. This includes trustees from parts of the community which have traditionally not played a large part in charities, such as young people, people from minority and ethnic communities and people with disabilities. Creating a diverse board can also help to increase accountability and public confidence.

There are mixed views about the effectiveness of recruiting trustees through open competition and whether this discourages suitably experienced and qualified people from coming forward to fill what is, essentially, an unpaid appointment. An alternative is to approach suitable candidates directly based on their knowledge or experience in areas key to the success of the Trust, or their connection or affiliation to the area or the Museum in particular. There are also trustee brokerage services that can help identify suitable trustees, such as Trusteefinder or Trustee Search.

Some initial work has already been undertaken in relation to identifying possible trustees. This has been aided by the Museum's longstanding role within the community and with other charitable organisations and networks. These include two charities, the Banbury Historical Society (closely associated with the Museum since 1957 and of which Cherwell District Council's Museum Services Manager is Secretary), and the Oxfordshire Museums Council (of which the Museum Services Manager is Chairman).

Appointment of a Shadow Chairman at an early stage is considered essential to;

- provide high-level leadership and direction
- to negotiate with the Council on behalf of the proposed Trust
- to assist in the appointment of other Board members
- to manage the transition process to Trust status

The Shadow Chairman can 'retire' after the incorporation of the Trust to be replaced by a permanent Chairman, or can stay on in the role. There are advantages and disadvantages for either approach.

The process followed by Oxfordshire County Council in establishing a Trust for Cogges Farm Museum was as follows;

- Cabinet agreed the appointment of the Shadow Chairman and initial Council representatives
- Adverts were placed for the other Trustees. There were 40 responses.
- Other Trustees were agreed by the Shadow Board as it grew.
- Now that the Shadow Board is transferring itself into a Trust, members are being asked if they are willing to stand as permanent Trustees.
- The appointed Shadow Chairman has now stood down, having taken the Shadow Board to the brink of Trust status.

2.5 Ongoing governance

It would be desirable for the Council to have an ongoing role in overseeing the activity of the Trust given the likely size of its ongoing financial commitment. The Board has expressed a wish to require the Trust to present an annual business plan to the Council to show how it will deliver services, and for this to take the form of a schedule to any agreed service level agreement.

Legal advice has clarified that it will not be possible for the Council to make funding dependent on the provision of services on behalf of the Council without giving rise to procurement and tax liability issues, and so that funding agreement, and any agreement ancillary or supplemental to it, should be framed such that the sums paid to the Trust are solely to aid its aims and objectives as stated in its constitution.

However, the museum Accreditation Standard (currently being revised) will require accredited museums to have a business/forward plan covering a period up to 5 years, with an annual report/revision cycle. This would appear to offer an opportunity for a representative of the Council, in his/her role as a Trustee, to have an input into the planned services provided by the Trust.

In addition, it is proposed that a senior officer be invited as an observer to each Board of Trustees meeting to give an operational perspective to any decisions being made. A similar arrangement operates currently at The Mill, Banbury.

Recommendation 5: In relation to the appointment of such Trustees:

- a) To permit the Project Board to interview suitable candidates for Shadow Chairman, any such appointment to be confirmed by the Executive soon after its October 2011 meeting;
- b) To permit the Shadow Chairman, in consultation with the Project Board, to select, via advertisement or other effective process, suitable candidates for membership of the Shadow Board (in addition to those Council members nominated to the Board pursuant to Recommendation no. 3 above); and
- c) To authorise the relevant Head of Service to invite the Shadow Chairman and (non-Council) members of the Shadow Board to undertake those roles permanently upon establishment of the Trust.

3. Property Issues

3.1 Ownership of property asset and type of occupation

The Council currently owns the freehold of the museum premises to the east of the canal, and occupies the premises itself. There is a Licence agreement in place relating to the café with no security of tenure under that agreement (see, further, section 2.5 below).

The Visitor Information Centre (VIC) and Linkpoint to the west of the canal is within the leasehold interest granted by the Council to Scottish Widows in respect of the Castle Quay development. The Council occupies the premises under a lease back for 250 years from 2000. No rent is payable, and only a reduced service charge. The use permitted under the lease comprises a VIC and the provision of other local authority services. Scottish Widows have permitted the use to be widened from the original VIC only, but do seek to ensure that the premises are compatible with the retail nature of the remainder of Castle Quay.

The Council has sublet part of the premises, comprising the basement, to the boatyard operator, Tooley's Boatyard Ltd. The area occupied by Tooley's Boatyard falls within two titles. Part is leased by Scottish Widows to the Council, and the remainder is leased by British Waterways to the Council. The whole of the boatyard is then sub-let to Tooley's Boatyard Ltd.

The values of the land and buildings associated with these assets as shown on the Council's asset register are as follows:

Banbury Museum	Land: £424,489 Building: £3,820,406
Visitor Information Centre/LinkPoint	Land: £208,200 Building: £485,800
Tooley's Boatyard	Land: £61,915 Building: £557,236

It is important to bear in mind that the VIC/Linkpoint premises have significant potential value, if they were to become surplus to the Council's requirements. Scottish Widows have indicated on a number of occasions that they would be interested in taking them back, should the Council wish to surrender its lease, so they could be redeveloped as an additional retail unit. How this could be done whilst retaining access to the museum has not been considered in detail, but may not be impossible.

Theoretically it would be possible to transfer the freehold of the Museum and sub-let the lease of the VIC/Linkpoint to a Trust. However, the Council would be parting with the asset. It would be appropriate to include a right of pre-emption requiring the Trust to offer the Museum back to the Council, and to surrender the sub-letting, should it ever resolve to dispose of the premises.

To retain the premises the grant of a lease would be more usual. This could set out who does what, and could include a break clause should the Council wish to have the premises back under particularly exceptional circumstances, such as the winding up of the Trust (subject to any Charity Commission approvals).

Assuming the occupation is to proceed under some form of lease or tenancy, the nature of this will be driven by two considerations. Firstly, the extent to which the Trust shall be given freedom to operate as they see fit, and the permanence with which the arrangement is viewed, and, secondly, any issues which may apply as a result of the desire to remove any rating liabilities. These issues are discussed below.

If the Trust were required to operate the premises according to a tight specification drawn up by the Council, with the opportunity for the Council to terminate the arrangement after a short period of three years, for example, or by serving a period of notice, it would be reasonable to grant only a licence to the Trust. Under a licence, where no entitlement to exclusive possession is a defining feature, it would be both normal and necessary for the Council to retain a high degree of control over the premises, such as through repairing obligations, and possibly rights to use certain parts of the premises for its own purposes.

If the Trust is to be given greater freedom to run the museum within parameters according to its own specification, and particularly if it requires security of tenure in order to fund raise or borrow, then it would be normal to grant to the Trust a lease of the premises. The length of the lease can be whatever the parties require, although both the NHMF (who provided grant to the Council to fund the museum's construction) and the Oxfordshire County Council (who own the Museum's collections) will be concerned to ensure some longevity in the term proposed to be granted.

It might also be possible (with the concurrence of the NHMF and Oxfordshire County Council and subject to any Charity Commission approvals) to incorporate break provision, operable at the discretion of either or both parties, or in the event that particularly exceptional circumstances apply, such as the inability of the Trust to continue.

Given the funding agreement between the NHMF and the Council for the construction of the museum ties the Council into the provision of a Museum until at least 2023 it will be essential that the term of the lease is no shorter than 10 years. However, to provide the necessary security of tenure and operation a minimum term of 30 years would be more appropriate.

Recommendation 6: To approve retention by the Council of the freehold of the Museum building and Bridge Gallery, granting, instead, a lease of it to the Trust for a minimum period of 30 years, and to authorise the appropriate Head of Service, in consultation with the Lead Member for Environment, Recreation and Health, to negotiate suitable terms for such a lease with the Trust on this basis.

3.2 Extent of the Property to be included in the Trust

Services provided at the Museum/Castle Quay site are; the museum (Monday to Saturday), the Tourism Information Service (Monday to Saturday) and the LinkPoint Office (Monday to Friday).

The relationship between Banbury Museum and the VIC goes beyond convenient and mutually beneficial co-location. The VIC acts as the 'front door' for museum services, introducing visitors to Banbury's heritage offer. It takes money on behalf of the museum, for events and trails as well as handling all post for the building. In addition it provides some support and service to the LinkPoint office, which will remain in Council control and operation at the Castle Quay site. This is important when considering the extent of property included within the Trust.

There are two options in respect of what property is included in the Trust arrangement:

- Option 1: To include the whole of the museum, bridge gallery and the VIC/Linkpoint.
- Option 2: To include only the museum and the bridge gallery

With regard to Option 2 there may be some issues regarding how the physical interface between the bridge and the VIC/Linkpoint corresponds to the boundary of the premises leased to the Council by Scottish Widows. However, these issues are unlikely to be incapable of being resolved. In this case the Council would continue to occupy and operate the VIC/Linkpoint under the lease from Scottish Widows, and to sublet Tooley's Boatyard to the operator.

Option 1 (the preferred option) would require the Trust to take on responsibility for the provision of the heritage, arts and cultural services currently provided through the VIC (so its objects will need to be carefully crafted to accommodate this). It would also require the Council to sub-let the VIC/Linkpoint area to the Trust and that could not be achieved without the consent of the Council's head landlords, Scottish Widows.

It would be worth considering at the same time whether the area leased should include the whole of Tooley's Boatyard as well. Part of this is outside the area leased to the Council by Scottish Widows, and is leased by the Council from British Waterways (BWB). In order to sub-let the VIC/Linkpoint lease, it is likely to be necessary to include the whole of Tooley's Boatyard, and sub-let the premises included in the BWB lease too. This would ensure that the whole of the premises include within the various leases are occupied by the same parties, rather than being sub-divided.

Clearly, Option 2 is the most simple for the Council. However, the scope of the property included needs to be considered alongside the rating valuation issue (set out in section 2.3 below)

3.3 Rating Valuation

Currently the museum and VIC/LinkPoint have a single NNDR rating assessment with a combined rateable value of £195,000, giving rise to an annual NNDR liability of £84,435.

The Valuation Officer has confirmed that should the VIC/LinkPoint be split off from the Museum they would have no option but to value it as a retail unit at £1,100 per square metre in common with the adjoining shops in Castle Quay. The estimated separate rateable value for the VIC/LinkPoint is £177,000, with a reduction in the museum (only) assessment to £167,000. The result is an aggregate rateable value of £344,000, an increase of 76% over the current rateable value.

Using the latest NNDR multiplier (£0.433) the impact of this change on the Council's overall NNDR liability can be predicted as follows;

- Option 1 (all property to Trust) £16,887 (a saving of £67,548)
- Option 2 (VIC/Linkpoint excluded) £91,103 (an additional cost of £6,668)

Rateable values can be appealed, but are not under Council control. Liability rests with the organisation in control of the premises, which is to say, in legal occupation. Care is needed, because if an arrangement is seen as a sham to avoid liability, the VO may look behind it at the facts.

Since a key objective of the project is to secure the required savings of £64,000 through NNDR reductions, a decision to limit the extent of the Trust lease to the museum and bridge gallery only seems likely to jeopardise this objective.

3.4 Linkpoint

The LinkPoint office is to remain in Council control and operation at the Castle Quay site. Accordingly, it will be necessary to establish an arrangement with the Trust that permits the Council to continue to operate the LinkPoint office without jeopardising the NNDR savings identified in section 2.3.

To this end, the Project Team considers that any arrangement for the Council to operate the LinkPoint area would need to take the form a licence. The features of a licence are such that it:

- is determinable by either party on, e.g., 6 months' written notice (i.e., is not for a fixed term);
- avoids permitting the Council exclusive possession of the area;
- makes no reference to payment of rent (although a licence fee, annual or otherwise, is permissible); and
- prohibits transfer of the licence to successors in title.

If any of these features were to be present in the Council's arrangement with the Trust for the occupancy of the LinkPoint office then the Council's occupation could conceivably be construed as a tenancy which, amongst other things, would risk its losing the NNDR savings that would otherwise have been made subletting this part of the premises to the Trust.

Recommendation 7: In relation to the lease arrangements for the property;

- To sub-let to the Trust the Visitor Information Centre/LinkPoint (including Tooley's Boatyard) (subject to the consent of the Council's head landlords, Scottish Widows and British Waterways) for a like period of 30 years and the appropriate Head of Service be authorised, in consultation with the Lead Member for Environment, Recreation and Health, to negotiate suitable terms for such sub-lettings to the Trust; and
- To make provision for the Council occupy the LinkPoint area under a licence from the Trust, such licence to be determinable by either party on 6 months notice, to avoid granting the Council exclusive possession of the area and, being personal to the Council, the benefit of the licence to be incapable of transfer to any other occupier

3.5 Maintenance of property

Under a Licence it would be normal to retain a large degree of control of the maintenance works to be undertaken. Whilst it would be possible to require the licensee to undertake some maintenance, such as internal repairs and decorations, it would not be reasonable to expect them to undertake major external repairs.

Under a lease it is more normal to require the tenant to accept responsibility for all repairs and maintenance. Depending on the term of the lease, the tenant may be reluctant to accept responsibility for major items such as re-roofing, or structural repairs, but this should not be an issue on a lease for 20 years or more.

The question of which party is responsible for what depends to a large extent on the financial arrangements so that, for example, if maintenance costs are to be recharged to the Council then the Council will want to have control over what is done.

It is possible to pass the responsibility for the cost of items such as maintenance to the tenant, but to retain the control over the quality of this work by providing for the Council to carry out the work, with the cost recovered through a service charge. Such a charge can include an element of the landlord's administrative and staffing costs associated with the work.

Decisions on maintenance will be determined by the extent of independence to be given to the Trust, both in terms of control and financially. If the Council is to stand behind the Trust and guarantee to meet various costs, it may as well retain the direct responsibility for those items. If the long term aim is to disengage completely, then the Council will need to pass over all responsibility, even though it may fund costs or provide services to them on a temporary basis.

Passing over full responsibility may, in itself, prove to be an exercise in accounting only. Most of the funding made available to the Trust will be from the Council. Should the Trust be made responsible for the costs of maintenance it would require an appropriate level of funding from the Council to meet this liability. If the work is to be arranged through the Council then it would need to recharge the Trust for the administration of this work and the cost of the work itself.

Recommendation 8: To approve the Council's retaining responsibility for the maintenance of the exterior, structure and principal plant of the premises let to the Trust (subject to any prohibitions contained in the Scottish Widows and British Waterways leases proposed to be sub-let to the Trust pursuant to Recommendation no. 6) so that the Trust shall only be responsible for interior maintenance and decoration.

3.6 Museum Cafe

The museum includes the existing café which is currently operated by Flying Aubergine Limited under a concession contract between the company and the Council dated 8 January 2008. Under the contract, the Council receives a share of the income generated by Flying Aubergine at the café. Flying Aubergine occupies the café area, in order to deliver the café service, under an ancillary licence with the Council which is also dated 8 January 2008. The licence will end upon expiry or earlier termination of the concession contract. While the arrangement is personal to Flying Aubergine, there is no provision in either the contract or the licence prohibiting the transfer of the same to a third party by the Council.

As the concession contract and the supplemental licence relate exclusively to the museum, its transfer to the Trust could, if agreed, be included in the proposed transfer of the museum undertaking referred to in recommendation 5 of this report, being a contract wholly associated with the museum.

As the café operation is essentially a commercial undertaking, however, it will be necessary to consider whether there are any implications for the Trust's charitable status arising from its acquisition of the concession contract from the Council and its continuation of the café function generally.

Such considerations centre upon whether the café operation falls within or without the types of trading activity a charitable trust is usually permitted to engage in (similar considerations, indeed, will also apply to trading activity connected with the retail aspect of the VIC).

There are some types of trading activity in which a charity may engage without the profits being counted as trading profits and without being liable to tax all of which can be carried out within the charitable constitution. Essentially, charities may carry on trading activities which contribute directly to the furtherance of their charitable objects, or (where the purpose is to raise funds for the charity) which do not involve significant risk. This includes:

- 'Primary purpose trading' - trading that contributes directly to one or more of the objects of a charity as set out in its governing document e.g. selling workshop places.
- 'Ancillary trading' - trading that contributes indirectly to the successful furtherance of the purposes of the charity e.g. selling light refreshments to visitors. Also described as necessary and incidental trading.
- 'Non permanent trading' - trading that essentially raises funds for the charity at ad hoc events and which does not involve significant risk to the charity's resources.

If a charity intends to engage in trading outside these parameters then it must establish a trading subsidiary through which to carry it on. Where a charitable museum has or is to have a trading company, the Charity Commission expects all arrangements between it and its trading company to be negotiated at arm's length.

Prima facie, the current café operation would only comprise an incidental trading activity that nonetheless furthers the purposes of the charity and so could be classed as 'ancillary trading' for charitable purposes. However, if the recommendation is approved then it is proposed the Project Board seeks specialist advice to determine whether the commercial elements inherent in the museum transfer demand that a trading arm be established by the Trust to overcome the difficulties in this regard.

Upon the expiry of the concession contract and supplemental licence the Trust would be in a position to determine whether it wished to continue to run a café operation from the café area, or whether it wished instead to use the space formerly occupied by the café function for a different purpose connected with the provision of the museum activity.

Under the terms of the concession contract with Flying Aubergine the contractor is permitted to use the catering equipment belonging to the Council to provide the catering services. If the contract and supplementary licence were to be transferred to the Trust then the Council should consider loaning the Council's equipment to the Trust for so long as the café site continues to be used as such, and so would be returned by the Trust to the Council in the event the site was required by the Trust for another purpose. The terms of that loan arrangement would be incorporated in a stand alone equipment loan agreement between the Council and the Trust.

<p>Recommendation 9: To approve the transfer of the Museum Café contract and ancillary Licence to the Trust, such that the same would henceforth be managed by the Trust either directly or through a trading company set up by the Trust for this purpose, with the future operation of the café upon the termination of that arrangement on 13 January 2013 to be determined wholly by the Trust.</p>
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4. Staffing Issues

4.1 Current staffing

The current staffing complement of the two areas under consideration (Museum and VIC) is as follows;

	Hrs PW	FTE	Comments
Museum Services Manager	37.00	1.00	
Education Officer	37.00	1.00	fixed term to 31/3/2013
Events & Exhibitions Officer	37.00	1.00	
Museum Assistant	13.18	0.36	
Museum Assistant	19.25	0.52	
Museum Assistant	12.00	0.32	
Exhibitions Assistant	17.25	0.47	
		<u>4.67</u>	
Visitor Information Manager	37.00	1.00	
VIC Assistant	13.63	0.37	
VIC Assistant	22.25	0.60	
VIC Assistant	15.88	0.43	
VIC Assistant	15.88	0.43	fixed term to 31/3/2012
		<u>2.83</u>	

There are also currently 10 Museum Assistant casuals and 7 TIC Assistant casuals affected by the change. The recent appointment of an Education Officer was made on a two year contract basis and so will not currently transfer under TUPE unless this contract is extended.

In addition to this the Museum/TIC is charged £20,228 per annum for management support provided by the Head of Recreation and Health (7% of salary) and the Arts & Visitor Services Manager (40% of salary). The proportion of salary allocated is below the level that would trigger an automatic TUPE transfer (50% minimum of duties/salary would have to be allocated to trigger this).

The long term success of any trust will be dependent on maintaining the continuity, as far as is possible, of the current service, including keeping the museum open and active. The current staff (including casuals) will transfer to the new Trust under the Transfer of Undertakings (Protection of Employment) Regulations 2006.

A formal consultation plan has been devised to meet the requirements of TUPE regulations and will involve HR and Unison along with Council managers and, eventually, Trustees. Line managers will be encouraged to talk to staff at regular team meetings but where key decisions are made and information is required to be issued formally to staff this will be done using this consultation plan. A variety of consultation mechanisms will be used including open meetings, 121's, written correspondence and the Council's intranet (FAQ's and an appropriate mailbox)

4.2 Future staffing requirement

As part of their feasibility report into the creation of a bespoke Museum trust, DCA consultants concluded that such a trust would want to make an investment to ensure its future success by creating a new post of part time audience development/marketing manager, alongside appointing essential support staff in finance and admin. Their estimate was that this would

amount to an additional 1.7 FTEs at an initial cost of £36,834 (from 2013/14), which was considered a minimum. There is no financial provision to meet this requirement for new staff.

An Education Officer post will also need to be provided as this will not currently transfer across under TUPE, although this will not represent any additional funding requirement as this is in the current base budget.

4.3 Employers liabilities

All the transferor's (i.e. the Council's) rights, powers, duties and liabilities under or in connection with the employee's contract of employment transfer to the transferee (in this case the Trust). This will also apply to any changes in respect of the employee's contract before the transfer.

In practical terms, the transferee will inherit:

- all existing contractual terms (other than pension rights)
- terms incorporated from a collective agreement at the time of the transfer i.e. pay awards, terms and conditions, policies and procedures.
- liability for past breaches of contract (such as arrears of wages) and statutory liabilities (such as unfair dismissal, redundancy pay and any claim under the range of discrimination legislation)
- continuous employment with the transferor
- liability for any course of action instigated by the transferor, for example disciplinary proceedings or acts that might result in a claim of constructive dismissal or discrimination

On this basis employment liabilities for Cherwell would relate only to pensions. It is proposed that the Trust has a fully funded pension on the date of transfer, meaning that the Council will retain past pensions costs liability and continue to pay contributions as at present. This will involve no additional cost to the Council as future budgets have been built on covering current pension deficit payments.

In terms of any future Council liability for pensions should the Trust fail, it should be possible to establish a bond to insure against such a risk, which would be taken out by the Trust rather than the Council. However, as the prime source of funding for the Trust is the Council, it will be necessary to adjust the level of funding provided to the Trust to ensure the costs are met. The cost of the bond can only be identified nearer the time of the transfer, but it is anticipated this will not be in excess of £5,000 per year.

The only other liability relates to incidents that occurred prior to an employee transferring where the liability might remain with Cherwell and would not transfer to the new organisation. This might include claims relating to employee accidents, disciplinary action or grievances that took place pre transfer but lead to employment tribunals or claims post transfer. There is no figure that can be placed on this potential liability as it may not happen and any cost could vary greatly. At present there are no such liabilities but this cannot be guaranteed to be the case between now and transfer.

Redundancies are normally the responsibility of the new organisation if the employees are made redundant post transfer. However, as the Council are looking at paying towards the potential cost of any future redundancies this has to be factored in. It is suggested that a cut off date for reimbursing redundancy costs to the new organisation be agreed and, to be consistent with other transfers made by the Council, this be set to three months post transfer after which time liability will rest with the Trust, in line with legislation. A bond should be established to cover this liability.

4.4 Staff policies

On staff transfer, the Trust will be given all applicable Council HR policies to use initially as these form part of the terms and conditions of those staff transferring. Any future changes to these policies by the Trust will need to be done through staff consultation and with trade unions. For some policies, such as Equal Opportunities and Health & Safety, the Trust will need to define their own as these are legal requirements.

Long term, the Trust will need to establish its independence from the Council and part of this process will involve the development of its own staff policies, whether based on the Council's policies or otherwise. However, while that process is on-going, the Trust is under a legal requirement to use the policies until they agree something different. .

Recommendation 10: In relation to the transfer of staff;

- a) To note the need to transfer those staff identified as being affected under TUPE requirements and commence a formal consultation process following the Executive resolution to proceed with the formation of the Museum Trust;
- b) To seek Community Admitted Body status for the pensions of transferred staff, or an equivalent scheme should this not be possible
- c) To agreed to continue to pay contributions as at present on past pension liabilities and require the Trust to take out a bond to fund any possible future liabilities should the Trust fail;
- d) To limit the Council's future liability for redundancies relating to transferred staff to three months after the transfer date, and to establish a bond to fund this liability

5 ICT Issues

Banbury Museum is connected to Cherwell's IT network infrastructure that accesses a range of Council IT services including;

- Internet access (including , Web filtering and virus protection)
- Email services (including , SPAM and virus scanning)
- Telephony
- Electronic data storage and backup
- ICT Service Desk facilities, incident, service requests and project work.
- hardware and Software support & purchasing
- ICT Infrastructure (Network infrastructure to enable IT equipment to work)
- Website hosting (incl. Content Management System)

The options listed below are to invoke and facilitate further discussion, as there are numerous ways of implementing technological solutions. The costs are robust in nature and can be used for budgetary purposes.

For internet access, the choices are to use existing Council infrastructure as at present, to use the existing infrastructure but obtain an independent internet access or to obtain a dedicated service from a third party. The second of these options is recommended as it would involve no change to the Museum infrastructure, it would be low cost (£1,600 for a two year contract, including set-up), and management of the infrastructure could be provided by the Council on a recharge basis to allow the Trust to focus on its primary purpose. The independent web connection would allow it to bypass the complex compliance regulations that the Council is subject to whilst still providing good virus etc protection, and also provide the flexibility to make other internet services available (e.g., kiosks, webcams, museum internet broadcasting etc) should the Trust chose to do so in future.

For email provision the two choices are to remain within the Council's system as at present or to purchase a hosted email service. The first option provides an easier route that has no set-up costs and is easily managed (as at present). External providers would cost around £416 per annum for a managed service.

For telephony, choices are to remain within the Council's system as at present, move to a hosted option (either VOIP based or analogue) or reinstate the (decommissioned) independent PABX system still on site. Costs for a hosted system vary between £2,802 (VOIP) and £3,750 (analogue) for a hosted system over a four-year term compared to a nil cost for the current infrastructure, with unknown capital costs for reinstating the decommissioned PABX. For this reason the status quo is recommended.

The licensing conditions under Cherwell's Microsoft enterprise agreement means that we are unable to "gift" the software currently being used to the Banbury Museum. However due to the charity status, Microsoft licenses will be available to the trust at a significant reduced rate. There is the secondary option to use open source products, but this is not seen to be a practical alternative. Due to the age of the ICT equipment it is recommended the Council "gift" the existing PC hardware to the trust.

Given the importance of publicity to the Trust it is recommended a HP colour laser printer is procured (£949 cost, 3 year support £450). Further bulk printing at a fraction of the price would also be available to the trust if connected to CDC network via the Councils Canon MFD contract.

Banbury Museum currently has a website and domain name (www.banburymuseum.org) and a new microsite website (www.cherwell.gov.uk/banburymuseum). Re-creating the existing site

using external provision would be costly and time consuming for no gain, and so it is recommended the Trust utilises existing CDC IT infrastructure (as is) at no cost, subject to such finessing to that name and/or that site as may be required to reflect the museum's new ownership .

With regards to ICT Support packages it has not been possible to find one company that will cover the full range of services as provided at present. Cherwell's ICT Service Desk is equipped to offer professional ICT services, support and advice. It could offer a number of service plans, which give Banbury Museum an allocated number of onsite days. The Trust could choose between 36, 18 or 9 onsite days each year, allocated in half day blocks. Two days would be reserved for quarterly client meetings to ensure that the service level agreements are monitored.

Recommendation 11: To approve the provision of ICT services (internet, telephony, email, website) by the Council to the Trust under a stand alone service level agreement between the Council and the Trust, for which the Trust will be charged a service fee, with the following exceptions:

- a) An independent internet connection be established for the Trust;
- b) A dedicated colour laser printer be procured for the Trust;
- c) Existing PC equipment be gifted to the Trust; and
- d) The Trust take out its own licences for the software it will use

6. Finance Issues

6.1 Support recharges

Budgeted support recharges for the Museum for 2011/12 total £129,629 for the Museum and VIC together. As outlined in Section 4, this includes a recharge for general administrative support amounting to £38,154.

This may be disproportional to the level of actual support needed by a Trust with a small workforce particularly as some of these functions could be performed by the Trustees themselves (e.g. legal advice, accountancy, HR and payroll) or by external providers.

Work has been carried out to explore if savings could be achieved through a reduction in the support provided by the Council to the museum, with a resulting reduction in the level of recharges and so a reduced level of financial support for the Trust. However, as the size of the museum support recharge does not represent significant proportions of individual support staff time, it is not possible to reduce these costs (i.e. reduce the level of staffing) in proportion to the loss of the museum. For this reason, it is not proposed that any support service savings be included in the business case for the Trust.

The Trust cannot be made to take CDC-provided services as a condition of its creation or otherwise. Such a constraint would inhibit or restrict the trust's ability to act in its own best interests, which is unlikely to find favour with the Charity Commission.

Further, any such restriction could arguably be construed as anti-competitive in the sense that, by using its dominant position, the Council is effectively stifling the trust's commercial choice. However, an arrangement whereby;

- the trust freely contracted to buy CDC-provided services on normal, reasonable commercial terms (the Council maintaining freedom to choose what services are / are not available) or
- Council-provided services formed part of any grant aid package to the trust (i.e., £100K of grant aid p/a comprising £50K in cash and £50K worth of services in kind);

would not offend this principle.

6.2 Financial allocation for Trust

The Value for Money review work on establishing a likely budget for a Museum Trust was undertaken by DCA consultants. This was undertaken using a number of assumptions which were not subject to scrutiny by the Council's finance staff and so lead to a number of questions:

- What should the appropriate provision be for inflation?
- How will salary increments be treated once Job Evaluation is fully established?
- Building maintenance is included as a Trust cost at present - should this remain with the Council?
- What should the appropriate split in overhead costs be for the Trust and other occupants of the building (e.g., Customer Services and VIC)
- How should NNDR relief be split on the Museum (and VIC) if transfer to the Trust is successful?
- Will capital charges/assets remain with the Council?

Some of these questions will remain unanswered until the final model for the Trust and its operation are decided upon, and do not necessarily require answers immediately. The Shadow Board itself will wish to make representations on some of these issues as part of their negotiations, so a proposed course of action is to establish a shadow budget from 2012/13 which can act as a negotiating baseline. A set of assumptions used for the purpose can be clearly set out in order to assist in the negotiation process.

Once a financial allocation has been agreed, a funding agreement should be entered into with the Trust to formalise this. Subject as follows, the Board proposes a five-year funding agreement with the Trust, together with a facility to review the funding arrangement on a rolling three-year basis.

It should be highlighted that the Council will require ultimate approval from the National Heritage Memorial Fund (NHMF) for its plans to divest services into a Trust, and they will be looking for long-term financial stability in any arrangements made. In this case, the proposal for a five year funding agreement will be subject to the approval of the NHMF.

Recommendation 12: With regard to the financial allocation to the Trust;

- a) To establish a shadow budget for the Trust from 2012/13, based on initial assumptions, and use this as a baseline for negotiation with the Shadow Trust Board in establishing an initial financial allocation;
- b) To agree that the initial financial allocation should not be any greater than the current budget provision for the Museum and VIC, and should reflect the NNDR savings anticipated; and any agreement reached with the Trust regarding the Council providing support Services be deducted from any grant; and
- c) Subject to the agreement of the National Heritage Memorial Fund, to enter into a five-year funding agreement with the Trust, with a three-year rolling review period,

6.3 Project Budget

At present the project has no dedicated budget allocated. No expenditure has been necessary in this initial stage of work, but it is apparent that some allocation will be needed in order to pursue some future work

For Witney Cogges Farm Trust an initial budget of £70,000 was advised as being necessary by one of the Trustees. But this has been "substantially reduced" by Shadow Board Members giving their skills. Despite this, the legal fees have still been significant.

Work anticipated as requiring a financial allocation includes;

- The Shadow Board obtaining specialist independent legal advice on, inter alia, tax, trading and charity powers and to help it negotiate with the Council on the terms of the transfer of the museum and VIC function etc. to Trust (estimated at £5,000);
- Costs associated with changes to existing leases and legal agreements (estimated at £2,500);
- Costs associated with the valuation of pensions liability (estimated at £2,000); and
- Advertising costs for recruiting Trustees (estimated at £1,500).
- Contingency Sum for unidentified costs/expenses (estimated at £4,000)

At this stage it is not possible to give a clear idea of the overall level of funding required to establish a Trust, as this may depend on the quality of Trustees recruited. However, a sum of £11,000 is required in 2011/12 to progress work and a budget of £15,000 is recommended which includes a £4,000 contingency sum, to be funded from a combination of existing approved budgets and from the Corporate Change Initiatives Fund.

The Project Board has expressed a wish for these set-up costs to be reimbursed by the Trust once established. However, the Council is driving this project and will benefit from reduced revenue support to the Museum once the operation has been transferred. For this reason, it is concluded that the Council should fund the set up costs.

Recommendation 13: To approve an initial financial allocation of £15,000 to the Project for 2011/12 in order to obtain the specialist advice, relevant consents and approvals and other services needed to create the Trust and transfer assets to it.

6.4 Transfer of Museum/VIC business

Once the trust is established it will be necessary for the Council to transfer the museum and VIC activities to the Trust along with those assets intended to belong to the museum/VIC and the staff that will transfer to the Trust under TUPE (discussed in more detail in section 3). Such a transfer will be similar in form to those used in the sale and purchase of a business. Exemplar heads of terms are contained in the Renaissance document "Moving to Museum Trusts: Learning from Experience pt2 The Process of Devolution".

Recommendation 14: To approve the transfer of the museum undertaking, the VIC service and, where permissible, the Council's interest in any contracts wholly connected with the running of the museum which are not expressly considered elsewhere in this report, to the Trust

6.5 Localism Bill and Local Authority Resource Review

As part of the draft proposals the Bill will give local authorities the power to grant a discount in business rates, enabling them to respond locally to the concerns of local businesses. This may have implications on the proposed NNDR savings to the Council. Once the details of any changes are known it would be prudent to ask the Executive to consider any implications arising from the Local Authority Resource Review (Localism Bill) that impacts upon the savings potential of this project prior to implementation.

Recommendation 15: To ask the Executive to consider any implications arising from the Local Authority Resource Review (Localism Bill) that impacts upon the savings potential of this project prior to implementation.

7. Timescales

The timetable proposed by DCA consultants in their report is as follows:

Governance transition	Date
Decision in principle, feasibility of transfer established	Achieved
Prepare terms and papers for formal decision	1 st q 2011
Formal Council approval to transfer and terms	2 nd q 2011
Due diligence and review. Governing documents drawn up (subject to their availability from the Charity Commission).	3 rd q 2011
Commence recruitment of trustees. Register new body.	4 th q 2011- 1 st q 2012
Trustees meet for first time. Formal consultation with staff commences.	2 nd q 2012
Terms of transfer agreed, all contracts between parties concluded	3 rd q 2012
Formal notices given	4 th q 2012
Transfers and hand over of operation 31 March/1 April 2013	1 st q 2013

<p>Recommendation 16: To note the timetable for the transition to Trust status proposed by DCA</p>
