

To: City Executive Board
Date: 19 January 2017
Report of: Head of Community Services
Title of Report: Establishment of Trust arrangements to support the redevelopment of the Museum of Oxford.

Summary and recommendations	
Purpose of report:	To ask the City Executive Board to authorise the establishment of Trust arrangements to support the redevelopment of the Museum of Oxford.
Key decision:	No
Executive Board Member:	Cllr Christine Simm, Culture and Communities
Corporate Priority:	Strong and active communities.
Policy Framework:	Culture Strategy 2015-18.
Recommendations: That the City Executive Board resolves to:	
1.	Approve the establishment of a Development Trust as a vehicle to raise funds to support the redevelopment of the Museum of Oxford.
2.	Delegate authority to the Head of Community Services to commit up to £5,000 from existing resources in order to register the fund-raising vehicle with the Charity Commission.
3.	Delegate authority to the Head of Community Services to agree detailed arrangements relating to the Development Trust.
4.	Delegate authority to the Head of Community Services to explore the future establishment of a full Charitable Trust to manage the long-term development of the Museum of Oxford.
5.	Instruct the Head of Community Services to report back to City Executive Board at a future date on progress in relation to the establishment of a full Charitable Trust. The report should include the Trust remit, revised charitable aims (objects), and a draft business plan outlining proposals for staffing, financial management and other aspects of the Trust's future development.

Appendices	
Appendix 1	Equalities Impact Assessment
Appendix 2	Risk Register

Purpose

1. This paper sets out proposals to establish Trust arrangements to support the redevelopment of the Museum of Oxford. The paper proposes that these arrangements are introduced in two stages:
 - a) the immediate establishment of a Development Trust to act as a charitable vehicle to enable the Museum to fundraise.
 - b) the subsequent transition of the Development Trust from a fund-raising vehicle into a full Charitable Trust which will manage the future development of the Museum.
2. The Head of Heritage Lottery Fund (HLF), South East England – the key funder of the Museum redevelopment project – has confirmed that HLF are happy with the approach set out in this paper.

Background

- 3 In 2009/10, the City Council commissioned a study to appraise options for improving the Museum of Oxford and to ensure its sustainability. Significant investment in the Museum was not possible at that time so it was decided in 2011 that the old Museum spaces should temporarily close. The Museum of Oxford has continued its work on a reduced scale through the *Explore Oxford* galleries - two rooms housing imaginative and digitally enabled exhibitions – which were opened in June 2012. This strategy created space so that detailed creative and financial planning for a future large-scale redevelopment could take place.
- 4 The *Explore Oxford* galleries, although they are small and quite constrained, have been very popular. More than 75,000 people visit annually, and more than 100 trained local volunteers support visitors as they explore the galleries and Town Hall spaces. There is a Friends of the Museum of Oxford group in place. We have extensive outreach programmes in place and we currently work with around 25 community groups, including the Oxford Hindu Temple, Jewish Heritage Oxford, and the Memory Lane reminiscence groups.
- 5 In order to build on the success of the *Explore Oxford* galleries, we have embarked on a £2.4million scheme – *Oxford's Hidden Histories* - to refurbish and bring back into use the old museum space. In 2015, we applied to the Heritage Lottery Fund (HLF) for £1.6m. Our first round application was successful and HLF has awarded us £142,000 to fund the current development phase. The development team includes architects, exhibition designers and activity planning consultants. We will submit a Round 2 application to HLF in autumn 2017. Oxford City Council will contribute £315,000 to the capital development.
- 6 The Museum of Oxford is the only Oxford museum which tells the stories of the city and its people. The major redevelopment that we have launched will transform the Museum into a key resource for discovering, interpreting, and sharing the rich heritage of Oxford's diverse communities. The Museum's social history mission will be strengthened and we will give voice in particular to individuals and communities whose stories - *Oxford's Hidden Histories* - have often been overwhelmed by this great city's defining narratives.
- 7 In addition to HLF funding and support from the City Council, we are aiming to raise a minimum of £300,000 from other sources. HLF will require evidence at the time of submission that we have funding pledges to cover 80% of this amount.

- 8 If funding pledges to cover 80% of the required amount have not been raised before the second round bid is submitted in December 2017 then a further report to City Executive Board on whether to continue with the capital project will be required.

Fundraising and future museum development

- 9 The need to raise funds from trusts and foundations and the need to ensure the ongoing sustainability of the Museum require fresh thinking about structures and governance.
- 10 The need to raise funds is urgent and our fund-raising consultant has advised us that the most effective way of enabling this is to set up a vehicle – a Development Trust - registered with the Charity Commission. This will enable us to access sources of funding not available to local authorities. These sources include:
 - a) Charitable trusts and foundations. The Museum Team’s strong track record in raising money from Arts Council England (ACE) Heritage Lottery Fund (HLF) and similar bodies means that they are well placed to write strong bids to these sources
 - b) Private and corporate donations. The team does not have extensive experience in this area. A strong and well-connected Board of Trustees, supported by advice from our fund-raising consultant, will be essential to success
 - c) Crowd-funding. Crowd-funding - raising finance by asking a large number of people each for a small amount of money - supported by a strong media campaign, will give local people the opportunity to have a personal stake in their Museum.
- 11 Once the fund-raising vehicle is in place and fundraising is underway we recommend that we explore the benefits, and what would need to be done, to modify the aims and objectives of the Development Trust so that it becomes a fully operational Charitable Trust managing and developing the Museum rather than just a fund-raising vehicle. .
- 12 The establishment of a full Charitable Trust responsible for managing and leading the development of what will become a major cultural organisation in Oxford has the potential to attract a powerful Chair with a national profile and expert Trustees. This in its turn will help attract continued funding which will ensure that the Museum is financially sustainable, generating a proportion of its costs from fundraising and commercial activity.

Stage 1 - Establishment of a Development Trust

- 13 A Development Trust sits alongside the body for which it is fundraising – for example, a local authority museum - and is different from an operational Charitable Trust whose purpose is to run the service itself.
- 14 The sole purpose of the Development Trust is to provide a vehicle with charitable status through which funds can be raised. The Trust in this stage of development would not play an active role in running the museum. The museum would continue to be managed by the council and its staff. Staff would continue to be managed under city council arrangements. The museum project would be run through the current governance arrangements.

15 Development Trusts are an established part of local authority fundraising strategies and have, for example, successfully supported local authority museums in Cardiff and Cheltenham for several years. However, once established, they remain separate from and independent of the Council.

Purpose and Composition of the Development Trust

16 The Development Trust will have two main charitable aims ('the objects'):

- a. To support for the benefit of the public the building, establishment and maintenance of the Museum of Oxford of artefacts, art, specimens, documents and other associated material in Oxford, including the collection, storage, research and conservation of all such material
- b. To advance the education of the public (in particular but without limitation to those living with the Oxford area and those geographic, ethnic and disabled communities who do not traditionally attend museums and galleries) in particular (but not limited to) by providing support to the provision and improvement of facilities, collections, exhibitions, formal and informal learning opportunities, public events and other educational activities, including in digital form, available to the public at the museum and within the communities of Oxford and across the internet

17 The Trust will consist of a relatively small number of Trustees (a minimum of three is required) who will lead initial fundraising efforts.

18 Trustees will liaise with the Museum staff and the Friends of the Museum of Oxford but at this stage will play no role in the management of either staff or the Friends organisation.

Stage 2- Transition to a full Charitable Trust

19 Once the fund-raising vehicle is in place, officers will explore the legal, financial and other issues involved in the transition from a Development Trust to a full Charitable Trust. These include the development of revised charitable aims (objects), and a business plan outlining proposals for staffing, financial management and other aspects of the Museum's future development. A report addressing these issues will come to City Executive Board at a date of the Board's choice.

20 A key role of the founding Trustees during this period will be to lead the search for a suitably qualified Chair and full Board of Trustees to lead the Charitable Trust. This search will make use of the Museum's local partners on the Oxford University Museums Partnership, and partners from national organisations such as Heritage Lottery Fund, Arts Council England, and Historic England.

Financial implications

21 The Development Trust will require Initial start-up funding. In order to register with the Charity Commission, the Development Trust must be able to demonstrate turnover of at least £5,000. This includes an initial 'sum' of money - £1,000 - for the trust deed to take effect. This amount could be later remunerated through fundraising.

22 Ongoing administration of the Development Trust will be carried out from existing resources within the Council's Culture and Events team in the form of benefit in kind.

- 23 The Development Trust will need a bank account separate from that of Oxford City Council so that it can accept funds from other trusts and foundations. This will be managed by the Trustees.
- 24 Financial implications of establishing a full Charitable Trust will be set out in a future report to CEB.

Legal issues

- 25 A memorandum of understanding setting out the terms of the relationship between Oxford City Council and the Development Trust will need to be drawn up. These terms are set out in paragraphs 12, 13, and 14 of this report. The memorandum of understanding will state explicitly that funds raised by the Development Trust will be for the sole purpose and use of the Museum of Oxford.
- 26 Details of legal issues relating to the establishment of a full Charitable Trust will be set out in a future report to CEB.

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Background Papers: None

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