



**Association of
Independent
Museums**

Helping Heritage
Organisations Prosper

Success Guides

Successfully Taking Over Your Local Museum

A Guide to Community Asset
Transfer of Museums





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By Bethany Rex



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This guidance cannot replace professional advice and you may find that your local authority has a different approach to asset transfer than the examples drawn upon here.

Front cover image courtesy of the Whitaker Museum & Art Gallery

Introduction

Local authorities use the community asset transfer process to encourage groups of people to take on responsibility for the future operation and management of land/buildings they own.

Libraries, swimming pools and community centres are popular candidates for community asset transfer, and more museums are being transferred due to budget cuts. A change in ownership model may also be seen as a way to relaunch struggling museums.

Taking over a museum using community asset transfer is a huge undertaking but it can be enormously rewarding. It is a long-term commitment and a complex process. We have compiled this guide for people who are considering taking part in museum asset transfer and aim to make that process a bit easier to understand and to encourage groups to consider the viability of their plans in the long-term to ensure the best chance of success.

This guide has been developed in collaboration with groups who have direct experience of asset transfer. It combines the knowledge and expertise of people who are involved in the day to day reality of operating a museum under these circumstances with the observations of an academic study on the topic.

Special thanks must therefore be extended to members of transfer groups and local authority staff who have contributed valuable insights to this document. Asset transfer does not happen in a series of neat steps as the many flowcharts available would suggest. It is messy and complex, but the collective know-how shared in this guidance proves it is possible to come to an arrangement that feels right for both parties.

Reading this guide should provide you with the information and inspiration necessary to negotiate a fair asset transfer arrangement with your local authority. It does not endorse asset transfer but encourages groups to use their voice to negotiate a viable and sustainable arrangement.

There are four parts to this guide:

The decisions: there is no script to asset transfer. Often, it will be your choice what to use the building for. This means asking tough questions about your vision and objectives

The basics: explains community asset transfer, local authority museums, local government, why asset transfer exists and how to decide who should be in your group

The detail: explains what you are being asked to take responsibility for, the different types of transfer arrangement available to you, where to go for financial support and the range of legal structures available

Free AIM Membership for asset transfer groups

As a welcome to the world of museums a year's free membership to the Association of Independent Museums is available to all asset transfer groups.

Whilst there is an important role for specialist knowledge and it can be helpful to understand the history of museums and their social and political roles.

Many vibrant and successful museums in the independent sector are run by people without professional training. AIM membership is a way of connecting with a community of people with a shared enthusiasm for museums who are usually more than happy to share their experience and knowledge.

Email: sassy@aim-museums.co.uk to find out how to join AIM.

Further reading

The Association of Independent Museum's [Successfully Setting Up A New Museum](#) is a short introduction to museums.

Members of asset transfer groups will find it helpful for its detail on collections management, learning and interpretation. It also provides a clear outline of how the museum sector is structured, funded and organisations you can contact for support and guidance.

The decisions: why are we doing this?

Beyond preventing the closure of the building, why should people and potential funders support your plans? Crucial questions like this may fade into the background when

your priority is saving a building from closure. Having a clear understanding of your vision, purpose and priorities will not only keep the group focused and united but sends an important message to others that there is a clear reason to support your efforts. Understanding how different people and groups might want to use the museum, as well as why some people might not have used it previously, are important steps to ensuring the museum remains relevant and well supported in the future.

The decisions: a museum or not?

Museums do not stop being museums just because the local authority withdraws their museum service from the building. If you intend to display, care for and make objects and stories accessible to the public then it sounds like you're planning to keep the building as a museum.

The decision of whether the building will continue as a museum is largely up to you. The issue of collections ownership is complex although not entirely without precedent: collections have been transferred to external organisations, although this is not the norm. Where collections are not included in transfer, they may be loaned to you on a long term basis as part of a formal agreement. Some would argue strongly for both the building and the collection to be transferred, yet this raises questions over what items would be included in a transfer as collections do not belong to buildings, but to the local authority. As with everything to do with asset transfer, this is a matter for discussion between the group and the council.

From experience

'One thing that would have helped us enormously would have been spending some facilitated time together as a group of emergent trustees to understand why we were all prepared to commit time and energy to the project.

We didn't do this, and this led to misunderstandings and frustrations as we hadn't really understood the passions and issues that we all brought to the table.

Spending time on this early on (which may seem like a luxury or navel gazing) I believe will pay dividends in the longer term - even if all it does is to allow issues/concerns to be spoken and acknowledged even if they can't be resolved immediately'

Sarah, Ilkley Manor House Trust

From experience

'What the museum is when you take it over and what you want it to become may be two very different things, and you need to be very clear that all parties have agreed broadly on the future direction of travel - we have very disparate opinions about this and as a result will probably pay for a specialist heritage exhibition specialist to come and advise us, something that in itself is not always commonly agreed!'

Ruth, Ilkley Manor House Trust

Alternatively, or additionally, you might think about establishing a collecting programme of your own. This might reflect your interests as a group or be developed in collaboration with others who would like to share their objects or stories with your visitors.

Ultimately, the support of your local community will be an important factor in your success. Finding out who your audience might be, their needs and aspirations and thinking about how a museum can be part of fulfilling them is a good place to start.

Further reading

The Association of Independent Museums [Golden Rules for Good Governance](#) and their [Hallmarks of Prospering Museums](#) are helpful resources in identifying how to best approach managing a museum.

Tips

The Accreditation Scheme sets nationally agreed standards for museums in the UK. It is widely seen as a marker of credibility and good practice. Being an Accredited Museum is a requirement for some, although not all, funders.

Accreditation can be a useful self-management tool too. You can find out more here [Accreditation Scheme webpages](#).

The basics: what is community asset transfer?

Local authorities use the community asset transfer process when they wish to transfer the management and/or ownership of land or buildings they own to an external organisation.

Local authorities are granted permission by central government to

transfer assets at less than market value if the external organisation will use the land/building in a way that achieves social, economic or environmental benefit.

These terms are open to interpretation and you need to seek guidance from your local authority on the criteria they will use to evaluate your plans. In general, former museum buildings are transferred yet there are some examples where aspects of the collection have been part of the transfer too.

Community asset transfer should not be confused with the legal rights granted to community groups should they list a building as an Asset of Community Value.

Local authorities decide which buildings are available for transfer and it is their decision whether the transfer goes ahead or not.

The basics: local authority museums

Local authorities are under no legal obligation to provide a museum service as they are a discretionary rather than a statutory provision.

You may be influenced by the status of the building as a former local authority museum in various ways.

Museums are often said to belong to everyone. This claim is symbolic but you may feel accountable to the public for your decisions and actions. This term is open to interpretation and it will likely be your prerogative to come to your own understanding about what this means to you in your context.

In the context of asset transfer, council officers might talk about demonstrating the 'community' or 'public' benefit of your plans. Local authorities have different ways of assessing whether a plan contains sufficient benefits for the 'community' or the 'public'. Like you, many local authorities are relatively unfamiliar with asset transfer so are finding their feet too. In many cases, councils use statistics and percentages to make judgements of this nature so it may be simpler than it sounds.

Tips

Both buildings and collections may be subject to covenants, particularly when they have been donated or gifted to the council in the past.

A restrictive covenant is an agreement not to do something specified. A positive covenant is an agreement to do something specified. For example, a restrictive covenant may require the local authority to use the donated building for educational purposes, or as a museum. The legal position on covenants in cases of transfer is unclear, yet there have been cases

where arguments have been made for covenants to be lifted.

Obtaining the details of covenants may be helpful in your negotiations, as councils may feel it is important to respect the wishes of benefactors and this has the potential to influence decision-making.

Requesting these documents early on is a good idea as it may take some time to locate them in local authority archives.

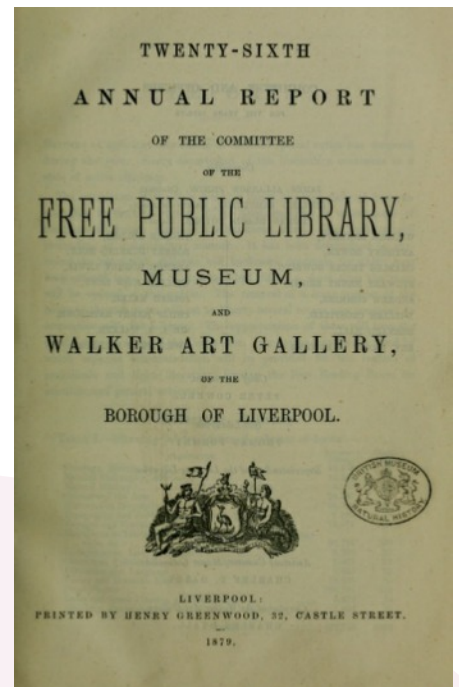


Image courtesy of Biodiversity Heritage Library



Image courtesy of Bethany Rex

From experience

'Sometimes, ignorance can be bliss when dealing with local government departments - not knowing the detail of their various bureaucracies means you can ask the sort of straight questions that will help show up where problems might lie'

Ruth, Ilkley Manor House Trust

The basics: the council

Establishing a positive working relationship with the local authority will make your lives considerably easier. Emotions run high when the word closure is mentioned in the same breath as museum but confrontation is not a good way to approach your negotiations with the council. You are more likely to get a positive response to your requests and ideas if they are seen to come from friends rather than enemies.

Remember:

- Asset transfer is a last resort and officers appreciate the circumstances are less than ideal
- Good relationships with key individuals can help you navigate what can feel like a labyrinth at first
- Your focus is one building whereas officers are dealing with multiple transfers and often their day-jobs simultaneously so expect a difference in working styles and pace.
- A typical transfer will be arranged by the estates, asset management or property department. The objective of these departments is to dispose to assets. the status of the asset as a former museum may be unimportant to them.
- The formalities will be in the hands of the legal department. All of these departments are likely to have suffered staff cuts and may be struggling to cope with arranging multiple asset transfers. Anticipate delays.

Tips

Rightly or wrongly, decisions are often made on personal preferences and political factors. Having someone on the group who understands, and with influence on, local politics is invaluable.

Negotiating with the council



From experience

'It is important to remember the value museums provide to local authorities, and don't be too shy in stating the benefits of the museum when negotiating any deal' Richard Evans, Director, Beamish Museum

You may find it helpful to read [AIM's Economic Value Toolkit](#) or their [Social and Environmental Impacts of Museums Advocacy Toolkit](#).

These documents may be more appropriate at a later stage once you have achieved transfer. In the first instance, if you can provide a good news story this always helps!

Tips

If the museum you are transferring is located in an area with a town or parish council make friends with them. They may agree to let you use their bank account on a temporary basis, and they often have small pots of money available for community groups.

Further reading

Understand the different types of council and [how decisions are made](#).

Collaborate

The most positive examples of museum asset transfer are those where the local authority and the transfer organisation continue to work collaboratively.

In most cases, finding the person in the council who can see the local authority through your eyes and help you to navigate its procedures will be crucial.

These people exist in every organisation, the hard work is finding them. There are a number of possible approaches here. In the case that a member of your group has a personal contact at the council, make the most of these connections.

If not, a good place to start is to familiarise yourself with the council's Asset Transfer Policy, available on their website. You may be put in touch with council officers but it may be a good move to establish a relationship with a relevant local councillor and encourage them to see the value of your plans. Most councils have web pages with lists of councillors and their responsibilities. Nominating one point of contact from both parties is useful, as are setting clear expectations about roles and responsibilities.

Leverage

You will need to convince the council to commit to funding your organisation on a regular basis. You may be able to make an argument that your plans will cost the council less on an annual basis but remember that council budgets change every year so there is no guarantee of long-term support.

You can also ask the local authority to support you financially in other ways which may be invaluable. For example, groups have made the

case for councils to pay for legal fees incurred. Understanding where the leverage is to make things happen is crucial. Unless you have someone in your group with insight into how the council functions, this can be a process of trial and error. Being well informed about their policies, and confident about your own plans, is a good place to start.

For example, a council may believe that encouraging tourism will grow the local economy so if you can show how your plans enable them to achieve their strategic priorities you are putting yourself in a good position to obtain support.

Protocol

Asset transfer policies produced by individual councils are useful for understanding the criteria to be used when councils evaluate whether to grant a transfer or not and how they see the process working.

It may feel awkward but it is a good idea for both parties to work together on a document which outlines how you will work together. This isn't a contract and nor is it legally binding. A 'Memorandum of Understanding', also known as 'Terms of Reference' or 'Heads of Terms' is a means of establishing and articulating commitments and principles before formal documentation is drafted and agreed. At a time when staff-redundancies and restructures are common, having this information in writing is crucial. Your local authority may have their own sample you can use, but if not this [Expectations Memorandum produced by Locality](#) is a good place to start.

The basics: local authority museum services

Museum service
Building
Collection

Local authorities view these as three separate components.

The museum service is granted permission to occupy the building, which is owned by corporate property or asset management teams. The collection belongs to the museum service and is merely displayed in the building. There is no requirement for particular objects to remain in particular buildings.

Tips

Asset management departments tend to make decisions about buildings based on how well they are seen to be 'performing' rather than how much it is valued or needed. This is part of the reason petitions against closure have limited impact.

Once a decision is made that an adequate museum service can be provided from fewer buildings, buildings formerly known as museums become blank canvases.

You may view them as museums but for the council they are now vacant assets or 'surplus'.

The basics: why is my local museum being transferred?

Every decision-making process behind an asset transfer will be different. However, there are trends in the type of museum selected for transfer and observable preferences to continue funding certain types of museum over others.

As local authorities increasingly think in terms of investment and returns as opposed to subsidy and need, economic priorities such as tourism and attracting business investment will be of central importance. Some museums fit the bill better than others, leaving the others vulnerable to cuts.

Smaller museums are similarly vulnerable as their visitor numbers appear small when compared with larger museums.

It is often difficult to overturn a decision as statistics are seen as the most appropriate type of information for decisions to be based on..



Image courtesy of Rossendale Free Press

From experience

'The museum may have a Friends organisation which might form the nucleus of a "preservation group". If a group is to impress the council with its financial credibility, then it should include people with some status. Support from politicians is also invaluable if they are of the same party as the controlling group on the council - if from an opposition party their involvement could be seen as problematic. Other local support is helpful. Our local paper printed and circulated 10,000 flyers to support our takeover'

Rodney, Ilkley Manor House Trust

From experience

'The people who are often the most passionate about a building are not necessarily the best people to develop a new offer for the future'

Sarah, Ilkley Manor House Trust

From experience

'The local council are represented on our Board. We have a good relationship with the local authority and we have worked hard to maintain this. I believe it is crucial that any public building needs to be part of a bigger regeneration of the area. Even if it means just attending a couple of council meetings a year. Being aware of potential difficulties, general budget problems and most importantly wider aspirations of the local area will help as any group develops'

Carl, The Whitaker Museum & Art Gallery

The basics: who should be in a transfer group?

As local authorities do not have the capacity to build a group, you need to make a judgement about who to include and how to make your activities visible to people outside your immediate group who may want to join, or find out more.

Expect that your group will evolve over time, people will leave and new members will join. A different set of people may work to secure the transfer than who run the building afterwards. Many of the most successful independent museums of the last 40 years have evolved in this way.

It is helpful if your group includes representatives of the members of the communities that you hope will use the museum or support it financially. Ask yourself: who isn't here and who should be? However, don't let worrying about who is missing stall your plans.

You will need a mix of skills, enthusiasm, knowledge and perseverance in your group and conducting a skills audit will be helpful.

Existing transfer groups identified the following skills and behaviours as important to them:

Skills:

- Financial skills, preparing budgets and business planning
- Negotiation skills
- Accountancy
- Administrative experience
- Law
- Marketing/PR
- Fundraising
- Architects, surveyors
- Museum experience
- Volunteer recruitment and management
- Public engagement
- IT skills and social media

- Organisational governance
- Local politics
- Grant givers and grant writing
- Project management
- Health and safety

Behaviours:

- Coping with ambiguity
- Non-linear working
- Collaborative working
- Passion
- Ambition
- Resilience
- Leadership and followership skills
- Creativity and imagination
- Risk taking
- Holding ground
- Respectfulness of other's positions

Further reading

[Skills Audit Template](#)

The detail: what is being transferred?

Tips

It is worth negotiating over the finer details at this stage. For example, some local authorities have agreed to put right any immediate structural issues (roof repairs, for example) as one of the conditions of transfer.

Responsibilities	Part of Transfer?
Buildings	Yes
Insurance	Yes
Repairs and maintenance	Yes - addressing backlog maintenance may be negotiated
Water and electricity services, rates, waste collections	Yes - shared responsibility may be negotiated
Collections	Negotiable - objects may be loaned on a long-term basis or collections may be transferred
Paid staff	No - TUPE, Transfer of Undertakings (Protection of Employment) should not apply as asset transfer is not the same as an outsource as the service provision function of the building has been withdrawn, although some councils will want to transfer staff. More information on TUPE and asset transfer.
Volunteers	No - although transfer groups may wish to involve existing volunteers
Non-collection assets (display cases, IT equipment, shop stock)	Maybe - display cases or other furniture may be included. IT equipment may be linked to the council network so is likely to be removed.
Adjacent land	Negotiable
Adjacent buildings	Negotiable

From experience

'Councils have collective building insurance covering many properties consequently it is difficult to identify exactly what is the insurance cost of the asset to be transferred.

The council may insist that the group concerned must buy back the insurance from them.

It may be necessary to purchase separate insurance for other aspects such as the Trust's own contents, public liability and possibly windows.

It would be advisable to identify exactly what buy back insurance covers'

Neil, Ford Green Hall Museum

From experience

'The council might want to separate potentially profitable property from the loss-making museum: this could scupper the financial viability of the whole project. They might also want to transfer financial liabilities, e.g. a flower bed adjacent to the museum and staff.

If the property is to be transferred at less than asset value, the council will (not unreasonably) want to restrict the uses to which it can be put, e.g. banning commercial activities. A total ban could ruin the future financial viability of the takeover'

Rodney, Ilkley Manor House Trust

The detail: what types of transfer arrangement are available?

Description	Advantages	Disadvantages
<p>Freehold</p> <p>Buying the property as full owner through a legal document entitled a 'conveyance'</p>	<ul style="list-style-type: none">● Security of ownership● Creates sellable asset● Independence● Can use asset to help raise debt and equity funding● Not subject to service charges● Freedom to improve or redevelop the asset, and to attract grants to do so● It is much harder for a local authority to restrict future use of premises than with other forms of tenure	<ul style="list-style-type: none">● Expense of purchase● Cost of repairs and insurance● May not be sellable if in poor condition or deeds forbid it
<p>Long Leasehold</p> <p>Buying a lease of 22 years or more and paying a 'premium' (initial capital payment) then a low annual ground rent; lessee has all the responsibilities of a freehold owner</p>	<ul style="list-style-type: none">● Security of ownership● Creates sellable asset● Independence● Can use asset to help raise debt and equity funding	<ul style="list-style-type: none">● Expense of purchase● Cost of repairs and insurance● May not be sellable if in poor condition or deeds forbid it● Local authorities can restrict future use of the premises using covenants placed on any lease

<p>Lease</p> <p>Taking a lease for a fixed period of years at an annual rent</p>	<ul style="list-style-type: none"> ● Security of tenure (usually) rights under The Landlord and Tenant Act 1954 ● In some cases rent may be low or peppercorn (common in asset transfer) ● In some cases maintenance costs may be shared with the landlord (requires negotiation) ● The local authority may be better disposed to granting discretionary rates relief 	<ul style="list-style-type: none"> ● Expense of rent and service charges (which may increase incrementally) ● Cost of repairs and insurance ● Shorter leases limit a group's ability to improve premises, and to raise funds for improvements ● Local authorities can restrict future use of the premises using covenants placed on any lease
<p>Tenancy agreement</p> <p>A verbal or written open ended agreement with a monthly, quarterly or annual rent and which can be terminated by either side giving notice</p>	<ul style="list-style-type: none"> ● Easily terminated by the tenant ● Rent may be cheaper ● Often less responsibility for repairs and insurance ● May have security of tenure ● More likely to have discretionary rate relief 	<ul style="list-style-type: none"> ● Normally little security of tenure especially if verbal or for a period of less than six months ● May be restrictions on use of premises ● Makes fundraising more difficult
<p>Licence to occupy</p> <p>Permission (verbal or written) to occupy for a short period (usually up to one year); can be terminated by either side giving notice</p>	<ul style="list-style-type: none"> ● As with a tenancy agreement, except no security of tenure ● May be exempt from business rates ● May allow a new group a change to demonstrate its capacity to operate and its case for occupying the premises on a more secure basis 	<ul style="list-style-type: none"> ● May be restrictions on use of premises ● Local authority may often need to give only a short period of notice

From experience

'It is important to make any restriction as flexible as possible. You need capacity to issue franchisees licenses. You might also ensure you have the right to nominate a successor organisation that shares similar goals. Finally, automatic right of renewal for lease agreements is important for security'

Richard Evans, Director, Beamish Museum

From experience

'We have been operating for almost 5 years and are about to sign a 25 year lease, partly to satisfy Heritage Lottery Fund and partly to give more security to our tenure'

Carl, The Whitaker Museum & Art Gallery

From experience

'It is important to consider the risks in the lease before you sign on the dotted line. Think about how your group would cope if 'x' happened and discuss your concerns with the local authority before going ahead.'

Neil, Ford Green Hall Museum

Tenancy at will

A licence to occupy at the will of the owner/landlord; tenant may be evicted at any time on as little as 24 hours' notice

- As with Licence to Occupy

- As with Licence to Occupy

Source: 'Managing risks in asset transfer: Department for Communities and Local Government'
Adapted by author

Tips

Ensuring you receive the maximum amount of rates relief will help your financial sustainability. The [AIM Successfully Negotiating Business Rates](#) provides comprehensive guidance.

Tips

Many funders have property ownership requirements that you will need to meet as a pre-condition for funding. Ask if you are unsure or can't find the information online.

Tips

If you find yourself dealing with a new contact who may be unfamiliar with asset transfer when it comes to arranging the terms of your tenure don't be afraid to remind them that your circumstances, as a newly formed group, are different to the larger organisations they may be used to working with.

Further reading

Full [guide to lease negotiations](#)

The detail: what legal structure will suit our group?

Use the following points to inform your decision:

Legal identity - incorporated organisations have what is known as a legal personality. This is important as without it trustees take personal responsibility for any contracts or liabilities rather than these being assumed by the organisation itself.

Therefore, most AIM museums use an incorporated structure as a 'charitable company limited by guarantee', and some as a 'charitable incorporated organisation'.

These two models are similar. Charitable Incorporated Organisation (CIO) models are new, and there is less administration to handle. However, the Charitable Company Limited by Guarantee is more established and therefore better understood by others.

Most AIM members are registered as Charitable Companies Limited by Guarantee - that is each member is only liable for the company's debts to a maximum of c.£5 = and with as many or as few legal 'members' who vote at the AGM as desired.

Charities are eligible for tax reliefs and incentives which are very significant for their financial strength. These charity structures are well recognised by funders and investors, and prevent any possible leakage of charity funds, collections or other assets back into private hands.

Preparatory work - it is not advised to select a legal structure based on the amount of documentation involved in the beginning, so starting this process early is advised

Regulation - depending on whether you choose a company, a charity, a Community Interest Company (CIC) or a mutual as your legal structure, you will be regulated by a different external regulator.

Companies are regulated by Companies House, mutual by the Financial Conduct Authority, CICs by the Community Interest Company Regulator/Companies House and charities by the Charity Commission. Regulation is time consuming, but may give you legitimacy in the eyes of external funders.

Membership and decision-making - Having a wide or narrow membership can be a strength and a weakness depending on your circumstances. Many instances of asset transfer arise because a building is not sufficiently used by the community. Offering membership to those who support your aims could be one way to reengage.

Profit distribution - any local authority is very likely to prefer your organisation to be non-for-profit, meaning any surplus (after wages and costs) is reinvested in a way that contributes to the aims of the organisation.

Funder guidelines - Again a charity model is preferred, although many funders now fund applications from CICs. If you intend to rely on grants as a core part of your financial resources, it is worth listing the funders you anticipate asking for support and checking individual guidelines.

You may find that certain legal structures, such as CIC that pays dividends to shareholders, do not automatically block you from applying for certain funding opportunities but you may well be required to take additional steps by the funder in the interest of risk management.

From experience

'This is a complex issue - I'd encourage groups to seek external advice here. A trading company is not too difficult to set up and protects charities'

Richard Evans, Director, Beamish Museum

Trading - Charities are restricted to trading activities which contribute directly to the achievement of their aims and objectives. Additionally, charities are restricted from trading which could pose a risk to their collections or assets. This means that selling tickets for entry to a museum is permitted, as would be running a café selling food and drink to users of the building. This is known as 'ancillary trading' and is therefore not liable for corporation tax. Likewise, rental income from property is exempt provided the profits arising are applied for charitable purposes.

However, going beyond this to raise funds through activities such as wedding hire events, or other commercial opportunities are not considered 'ancillary' and would be subject to tax.

Therefore, most medium and larger museums have established separate but wholly owned trading companies that pledge or gift aid any profits back to the parent charity. This is common practice within the charitable sector and permits trading to raise funds for the charity without losing the tax advantages. [The Charity Commission's Trading by Charities](#) is a good starting point.

Tax exemption - registered charities benefit from several tax advantages which CICs do not. The benefits of charitable status are clearly outlined in the guidance produced by Co-operatives UK.

There are very few restrictions on the activities of a CIC, but they do not generally qualify for charity tax exemptions.

Reporting - there is a substantial difference in reporting requirements for CICs when compared to charities. CICs file a community interest report annually, along with their annual accounts. Reporting requirements depend on the charity

type and its income, but tend to be more extensive for charities.

Further reading

[A comprehensive guide to legal forms and organisational types was published by Co-operatives UK](#) in January 2018, updated to reflect new legal forms and law changes.

[The Charity Commission](#) and the [Office of the Regulator of Community Interest Companies](#) both offer useful information, and access to registration forms and templates.

[AIM's Successful Governance in Independent Museums](#) is an important document at this stage.

The detail: funding pre-transfer

You are likely to need to pay for some specialist advice in the stages running up to transfer. Think about investing in your development too by accessing training and mentoring opportunities.

A Feasibility Study may help you to assess the viability of your plans and may have more credibility in the eyes of the local authority than your own views.

Before you write your business plan you will need a sound understanding of future maintenance costs. No transfer should be considered without full knowledge of the building's present condition. Ideally, the local authority will have an up-to-date condition survey but there is no guarantee.

Potential sources of funding for pre-transfer are limited. You are encouraged to request that your local authority cover some pre-transfer costs, particularly where they are unable to provide necessary information.

[HLF's Resilient Heritage](#) grants and the [Architectural Heritage Fund](#) can both be used to assess project viability, whilst skills development may be covered by the HLF fund.

Further reading

Use [English Heritage's list of information](#) you should have to hand as a checklist.

The detail: funding post-transfer

When it comes to funding your plans, you will need a combination of earned (money for goods and services provided) and contributed (grants from public bodies, foundations, corporate sponsors and donations or repayable loans) income.

Other sources of finance such as social investment, models combining loans and grants, community shares and crowdfunding may provide an alternative to conventional grants. [Types of Social Investment](#) provides an overview of options.

From experience

'We did go through a full procurement process for finding a consultancy to run a feasibility study. However, we had to provide a lot of information to the consultants I am not sure that this couldn't have been done in a slightly less bureaucratic way and possibly costing less money'

Sarah, Ilkley Manor House Trust

From experience

'The Architectural Heritage Fund have a network of regional officers who can offer advice and support to your group, subject to eligibility, as well as grant funding'

Fundraising Specialist, Ilkley Manor House Trust

Source	Description	Further Information
Lottery funds Heritage Lottery Fund Arts Council England Big Lottery Fund	Several schemes available from small project grants to multi-million pound grants for building redevelopment. You may be able to apply for a grant to undertake public engagement work to ensure your plans for the building are informed by the needs and interests of different groups who may use the space.	Heritage Lottery Fund Arts Council England Big Lottery Fund

From experience

'A Directory is a useful starting point but it is important that groups spend time researching trusts and foundations before applying (e.g. by viewing a trusts' own website and their entry on the Charity Commission website) to ensure their objectives match those of the group. For the best chance of success, applications should be tailored to the criteria of each individual funder and any guidance given by the funder should be carefully followed. Websites such as Funding Central can be useful, however you do have to pay a subscription.

Many trusts and foundations will want to see that the group has raised some funds themselves before applying for grant funding. They may ask for match funding or for a breakdown of funds raised to date. By raising funds from within their local community, a group can demonstrate that there is local support for their project.'

Fundraising Specialist, Ilkley Manor House Trust

Source	Description	Further Information
Local government	Contributions to repairs or maintenance may be negotiated as part of lease agreement May assist in negotiating funding from commercial developers through Section 106/ Community Infrastructure Levy (CIL) agreements	Guidance Community Infrastructure Levy For guidance on Section 106 you will need to contact the planning department of your local authority to see whether your plans might be suitable for this funding
The Architectural Heritage Fund	See 'Funding Pre-Transfer' Grants for viability studies (£3,000) and project development (£20,000) Loans for acquisition or working capital (£750,000) Blended loans and support to raise capital through community shares	The Architectural Heritage Fund
Loans	The Charity Bank, Unity Trust Bank and Triodos provide loans to charities and social enterprises	The Charity Bank Unity Trust Bank Triodos Big Society Capital These are loans not grants or subsidies and may not be suitable for groups who do not want to take on associated risk or who are unable to offer property as collateral
Community investment	Selling shares to individuals with an interest in your project is a way of raising finance, and to build support with the community	Community Shares

Further reading

In addition to the above, there are several charitable trusts and foundations that may fund specific aspects of your plan. [The Heritage Funding Directory](#) managed by The Heritage Alliance is a free directory of grant-making trusts.

Tips

Although making changes to the physical structure may be an attractive and exciting proposition and is something your group might work towards in the long-term, consider whether smaller alterations which cost less money might make more of a difference to people and be equally likely to help towards achieving your goals.

The detail: income post-transfer

Reductions in public funding mean you will need to consider various ways to generate your own income.

Conventional approaches include charging entrance fees, fees from

building rental and income from shops or cafes.

Novel approaches include image licensing and renting museum space for film locations. A challenge in exploring this option in the context of asset transfer will be that the rights and ownership of the collection and any reproduction of it, photographically or otherwise, will likely rest with the local authority. This is one reason why securing transfer of the collection is helpful.

Further reading

AIM have a number of Success Guides relevant to well-established approaches to earned income: [Successful Museum Cafes](#) [Successful Retailing for Smaller Museums](#)

Lancaster Institute for Contemporary Arts (LICA) and Museums Development North West have produced [guidance on image licencing for smaller museums and galleries](#).



Image courtesy of The Whitaker Museum & Art Gallery

From experience

'I feel spending time on public engagement at the start even if CAT plans are still emerging is essential and continuing to do this on a regular basis is worth a lot of time and effort to help focus the longer plans of any asset that is transferred'

Sarah, Ilkley Manor House Trust

The process: what are the key stages of an asset transfer?

There is no script to asset transfer. Each local authority will have a slightly different policy so make sure you have read the documents relevant to you.

These boxes each represent a separate stage in the asset transfer process. In an ideal world, there are stages which would happen before others, though it does not often work out that way.

Understand the building: this may be a sobering task, but understanding the costs associated with running, maintaining and insuring the building is key.

[Whole Life Costing](#) is a method for associated with an asset over a period of time. You have to pay for the service so consider whether this is right for you.

Understand the building's relationship history: members of Friends Groups, previous staff, volunteers and groups who regularly use the museum all provide a vital body of knowledge that will be useful to know as you get to know the history of the building and come up with plans for the future. Local authorities should be able to put you in touch with these groups.

Understand your local area: successful asset transfers are built on business plans informed by an understanding of the needs and characteristics of the individuals, groups and organisations who may use the museum. For example, the demographics of your area should inform your pricing structure.

Expressions of interest: the local authority will advertise buildings available for transfer on their website, and may circulate details in the local paper. Most will require

you to submit an expression of interest (EOI) to signal that you intend to explore taking responsibility for a site. This is a simple form to help the local authority understand who you are and to what extent you are in a good position to accept the responsibilities associated with transfer. This document is an indication of intention only and does not bind you to take any further action if your group has a change of heart. If you are not already in contact with a representative from the local authority, it is useful to introduce yourself and your group before submitting this document. The way councils assess EOIs is unclear and some may require you to meet certain standards or conditions before proceeding. This information should be made available to you before you submit.

Business case/plan: if the local authority is satisfied with the information provided in the EOI and confirms the asset is still available for transfer, you will be invited to complete a full application form and produce a detailed business case and plan. This document needs to evidence to the council that you will be able to cover the costs of running the building and have considered the risks involved. Local authorities may have staff who can help you at this stage, but many do not. Ask the local authority to provide you with guidance about how they will assess your business case at this stage.

Assessment: the local authority will undertake an assessment of your business case and any other information they have requested of you. As several departments are involved this can take time. In the instance that you submit your application during the period of time immediately before elections or referendums known as 'purdah' this can lead to further delays as council

communications are restricted during this time. Assessment may take place on the basis of submitted documents only, or you may be invited to interview with local authority departments or political representatives. View [Wigan Council's assessment criteria](#) as an example of how your application might be evaluated.

Lease arrangements: if you decide that a lease is your preferred way forward, the specifics of the lease will need to be drawn up and agreed. You may want to seek independent legal advice at this stage. A reduced rate may be negotiable given your charitable purposes, but it is always worth clarifying which tasks are chargeable.

If you are to be granted a reduced rent on the property, there will likely be an element of monitoring or reporting involved in the lease and arrangements surrounding it. It is worth discussing these requirements at an early stage to ensure they are not unnecessarily onerous.

Where to get support

Members of groups who have completed transfers are usually happy to share their experience. You can search online for their details, as many are active on social media.

The main source of development support for the museum sector in England is ACE's Museum Development network, Museums, Archives and Libraries Division in Wales, Museums Galleries Scotland and Northern Ireland Museums Council.

The main sources of guidance and inspiration in relation to managing museums are AIM and the Museums Association (MA).

English Heritage have listed the main sources of advice in relation to

the transfer of heritage assets, which you can access via their Pillars of the Community toolkit.

Where you go for business support will depend on the type of legal structure you choose for your organisation. [The Hive](#), for example, provides business support for co-operatives and social enterprises.

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From experience

'Keeping a very close eye on legal costs is essential. Getting any lawyers used to either provide monthly accounts or set a limit that they need to flag if you are getting near is essential. Escalating legal costs are easy to miss in the myriad of actions that are needed to carry out a community asset transfer'

Sarah, Ilkley Manor House Trust

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