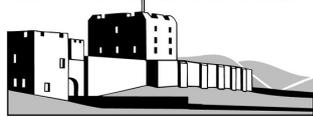


CARLISLE
CITY COUNCIL



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COMMUNITY OVERVIEW AND SCRUTINY PANEL

Panel Report

Public

Date of Meeting: 24th November 2011

Title: TULLIE HOUSE BUSINESS PLAN AND LEASE ARRANGEMENTS

Report of: The Assistant Director (Community Engagement)

Report reference: CD27/11

Summary: This report considers the Tullie House Museum and Art Gallery Trust 2011-2014 Business Plan and lease term issues.

It summarises the steps leading up to the establishment of the Trust in April 2011, the key milestones outlined in the draft Business Plan and financial and legal implications. It includes details of a proposed extension to the lease arrangements from the City Council for the property occupied by the Trust.

The draft Business Plan is included as a Part B (private) item as it is not for publication by virtue of paragraph 3 & 4 of Part 1 of Schedule 12A of the Local Government Act 1972

Questions for / input required from Scrutiny:

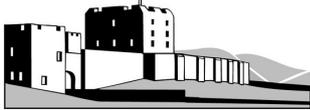
1. To consider the Business Plan and evaluate as a basis for authorising core funding grant payment, in the context of the Partnership Agreement signed by the City Council and Representatives of Tullie House Trust on 5 May 2011.
2. Consider the issues associated with the extension of the lease as para 1.2.

Recommendations: It is recommended that Overview and Scrutiny Panels consider on the Business Plan and Lease and refer comments and advice to the Executive .

Contact Officer: Mr Keith Gerrard

Ext: 7350

Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers: None



REPORT TO EXECUTIVE

PORTFOLIO AREA: COMMUNITY ENGAGEMENT

Date of Meeting: 22nd NOVEMBER 2011

Public

Key Decision: Yes

Recorded in Forward Plan: Yes

Inside Policy Framework

Title: TULLIE HOUSE BUSINESS PLAN AND LEASE ARRANGEMENTS

Report of: The Assistant Director (Community Engagement)

Report reference: CD 22/11

Summary:

This report considers the Tullie House Museum and Art Gallery Trust 2011- 2014 Business Plan and lease term issues.

It summarises the steps leading up to the establishment of the Trust in April 2011, the key milestones outlined in the draft Business Plan and financial and legal implications. It includes details of a proposed extension to the lease arrangements from the City Council for the property occupied by the Trust.

The draft Business Plan is included as a Part B (private) item as it is not for publication by virtue of paragraph 3 & 4 of Part 1 of Schedule 12A of the Local Government Act 1972

Purpose of the report:

The purpose of this report is to allow prompt consideration of the Business Plan in order that the Council may in due course agree core funding for the Trust. This funding approval will be actually for 2012/13 and in principle for 2013/14 and 2014/15.

This is In line with Section 5 of the Partnership Agreement signed at the establishment of the Trust that the Business Plan submitted by the Trust to the City Council should be used as the basis agreeing funding (Section 5)

Recommendations:

It is recommended that Executive consider this report and the proposed Business Plan and agree its circulation to Overview and Scrutiny Panels for further consideration and comment.

Contact Officer: Keith Gerrard

Ext: 7350

1. CONTEXT AND BACKGROUND INFORMATION

The Council on 14th December 2010 approved the principle of establishing a new Charitable Trust to run the Tullie House Museum and Art Gallery. Tullie House Museum and Art Gallery transferred from Carlisle City Council to an independent company on 5th May 2011.

The City Council's 12-month core funding grant to Tullie House Museum and Art Gallery Trust in 2011/12 is £1,314,420. In line with the Partnership Agreement between Tullie House Trust and Carlisle City Council core funding for future years, and specifically in this context 2012/13, 2013/14 and 2014/15, will be agreed by submission of the Trust Business Plan each year. To provide a secure and stable basis for medium-term planning, consideration will be made annually on core funding on a three year rolling cycle.

To this extent Partnership Agreement section 5.6 reads

'Core Funding for 2012/13, 2013/14 and 2014/15 will be agreed through a Business Plan submitted by MT⁺ to Carlisle^{*} not later than 31 October 2011 and Core Funding for 2015/16 will be agreed through a Business Plan which covers the period 2013/14 to 2015/16 submitted by MT to Carlisle not later than 31 October 2012'.

(⁺Museum Trust ^{*}Carlisle City Council)

The City Council's annual budget process requires that approval of core funding for 2013/14 and 2014/15 will be in principle.

1.1 Business Plan and monitoring arrangements

In line with the Partnership Agreement signed at the establishment of the Trust, the Business Plan outlines the Trust proposals for developing its charitable and commercial operation in the coming years. The Partnership Agreement specifies that the Business Plan will be considered promptly and in a collaborative fashion (section 5.8). It also details the contents (amongst other things) of any Trust Business Plan.

The 2011-14 Business Plan submitted by the Trust to the City Council covers the following issues:

- Access development
- Organisational transformation

- Community involvement
- Partnership working
- Business development – investing in generating sustainable income
- City Council funding
- Commercial trading income
- Fund raising and sponsorship

Monitoring procedures to assess progress associated with the Business Plan include quarterly evaluation of all aspects of the Trust function.

Key performance measures are being finalised and agreed between City Council and Trust representative, these are likely to include:

- Social return on investment of core funding (indicators to be decided)
- Efficient use of core funding resources

Make up of market share:

- Geography of customers (gathered by survey)
- Economic segmentation of customers (gathered by survey)

Funding

- Grants
- Trading income
- Fund raising and sponsorship

Community involvement

- Outreach activity
- Young persons visits and learning activity
- Visits by protected characteristics - ethnicity, age, gender etc. (gathered by survey)
- Customer Feedback (qualitative information) – Tullie House will provide copies of customer comment cards.

Members of Executive are asked to consider the attached (Part B) Business Plan in the light of the above and also seek the views of Overview & Scrutiny Panel.

1.2 Lease Arrangements

On 26 April 2011 Council granted consent to the leasing of Tullie House and the other museum premises for use by the Trust at peppercorn rents which were less than best consideration. (Report RD 84/10 refers). Advice in support of the decision was presented to the Council setting out the valuation implications on the basis of the leases being granted for a period of 25 years. The Trust has now requested that the term be extended to a period of 30 years, which will bring the leases into line with the arrangements for all the other Transfer Agreements and documentation.

Extending the leases for a further 5 years so that all documents are co terminus makes sound business sense for both parties. The Council is able to lengthen the leases so long as this is in accordance with Policy Framework, set out in the Asset Management Plan, and the statutory provisions of Section 123 of the Local Government Act 1972, which relates to the limitations on the transfer of assets at an undervalue.

Adding a further 5 years to the leases will have an impact on the Council's museum assets by reducing the freehold values from the figures previously set out in Report RD 84/10. The precise effect of the change is unknown at this stage, valuation advice will be required to inform Members on the position, but it is considered most unlikely that the impact on the Council's assets will be significant, or that the undervalue will exceed the threshold (£2 million) set out under the Local Government Act 1972. Further valuation advice will be sort to support the process and decision making going forward.

2. CONSULTATION

Consultation proposed.

Subject to approval by Executive, the Business Plan will be available to be considered by Community Overview and Scrutiny Panel on 24 November 2011 and Resources Overview and Scrutiny Panel on 6 December 2011.

3. RECOMMENDATIONS

It is recommended that Executive consider this report and the proposed Business Plan and agree its circulation to Overview and Scrutiny Panels for further consideration and comment.

4. REASONS FOR RECOMMENDATIONS

The recommendations allow this report and the associated Business Plan to move forward for wider consultation, including Community and Resources Overview and Scrutiny Panels

5. IMPLICATIONS

- Staffing/Resources – None

- Financial – The MTFP currently assumes provision for the core funding of the Tullie House Trust in accordance with the Partnership and Funding agreement. Appendix E of the proposed Business Plan summaries the financial position for the next three years, and although the levels of core funding are broadly in line with expectations, further work is required to address minor issues such as any required inflationary increases for 2012/13. Members should also note that £100,000 has been included within the 2011/12 budget as the maximum sum the Council will fund for any potential redundancy costs incurred by the Trust within the first 12 months of operation.

Discussions will continue with the Trust to address any necessary changes which will be reported to Members as part of the consultation process.

- Legal – Disposal of Land (by Lease) at an Undervalue)
 - (1) The Council has already made the decision to let property to Tullie House Trust at an undervalue and the purpose of this report is to vary the term from 25 to 30 years to tie in with the overarching Trust Agreements. Nevertheless, it is worth rehearsing the criteria to be applied when disposing of land at an undervalue:

 - (2) The Council has power under Section 123 of the Local Government Act 1972 to dispose of land in any manner it wishes, including sale of a freehold interest, granting a lease or assigning any unexpired term of a lease, and granting easements. The only constraint on this power is that the disposal must be for the best consideration reasonably obtainable (except in the case of the disposal of short tenancies), unless the Secretary of State consents to the disposal being made at less than best consideration.

- (3) Consent from the Secretary of State can be given in one of two ways. It is automatically given if the disposal at less than best consideration falls within the terms of a general Consent given by the Secretary of State in 2003. An important caveat in this Consent, however, is that the under value for which the land is disposed of must not exceed two million pounds. If it is proposed to dispose of land at an under value exceeding two million pounds, then a specific consent must be obtained from the Secretary of State on a case by case basis.
- (4) It is therefore a matter for the Executive to consider whether they wish to recommend in each case that a particular piece of land be disposed of to the new Tullie House Museum and Art Gallery Trust at less than best consideration, including at a nominal value if it is satisfied that circumstances justify this. Each disposal should be considered on its own merits to ascertain whether the Executive is satisfied that a disposal at less than best consideration is justifiable and what the undervalue should be in each case. This will be dependent, partly, on negotiations between the Council and the proposed Trust providing the Executive has determined in any particular case that a disposal should be exempt from this tendering process. Ultimately, each parcel of land will require to be valued to ascertain what the value of the land is and what any discount on the sale price might be. If in any case it were to amount to a disposal in excess of two million pounds less than the market value then the consent of the Secretary of State would be required. If the discount was less than this figure then the Council has power itself to approve of any discounted disposal.
- (5) The relevant Government Circular guidance on the matter (General Disposal Consent (England) 2003) sets out that it is Government policy that Local Authorities should dispose of surplus land wherever possible. Whilst it is expected that land should be sold for the best consideration reasonably obtainable in general circumstances, the Circular recognises that there may be circumstances where an authority considers it is appropriate to dispose of land at an under value. Hence, the Consent regime referred to above has been put in place. The Guidance makes the point that, when disposing of land at an under value, Authorities must be aware of the need to fulfil their fiduciary duty in a way which is accountable to local people and make sure that they obtain the view of a professionally qualified valuer as to the likely amount of any under value, so that they are fully informed of

all the relevant circumstances, and the Property Services Manager therefore needs to advise on the market value of each parcel of land for Members to consider. It is a matter, therefore, for the Executive to consider how it wishes to proceed with any particular disposal in the light of the above circumstances.

(6) The Council's current policy on disposals is that land should be sold at market value only. Any proposal to sell at less than this, therefore, would be a departure from current Council policy and would require the consent of the full Council that this policy be varied in the case of the parcels of land referred to in the report, so as to enable the Executive to proceed to dispose at less than market value.

- Approval of the Business Case - The Council has an Agreement with Tullie House which contains the mechanism for the approval of core funding as part of the Trust's Business Plan.
- Corporate – None
- Risk Management – Council Corporate and Operational risks associated with this Business Plan and Core Funding level have been assessed in line with the preparations of the 2012/13 Budget and MTFP.
- Environmental – None
- Crime and Disorder – None
- Impact on Customers – Implications of this nature will be addressed in the monitoring arrangements for the proposed Business Plan
- Equality and Diversity – See below. Also the proposed Business Plan seeks to address access and equality issues within the museum and art gallery premises and services offered.

Impact assessments

Does the change have an impact on the following?

Equality Impact Screening	Impact Yes/No?	Is the impact positive or negative?
Does the policy/service impact on the following?		
Age	Yes	
Disability	Yes	
Race	Yes	
Gender/ Transgender	Yes	
Sexual Orientation	Yes	
Religion or belief	Yes	
Human Rights	Yes	
Health inequalities	Yes	
Rurality	Yes	

If you consider there is either no impact or no negative impact, please give reasons:

.....

Dated

2011

- (1) The Council of the City of Carlisle
- (2) Tullie House Museum and Art Gallery Trust

Agreement

relating to the provision, operation and funding of the Tullie House
Museum & Art Gallery, Carlisle

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THIS AGREEMENT is made on
BETWEEN

2011

- (1) The Council of the City of Carlisle of Civic Centre, Carlisle, Cumbria CA3 8QG (Carlisle)
- (2) Tullie House Museum and Art Gallery Trust a company limited by guarantee company number 7568957 whose registered office is at Castle Street, Carlisle, Cumbria, CA3 8TP (the Museum Trust or MT).

BACKGROUND

- (A) Carlisle is the owner and operator of the Tullie House Museum & Art Gallery, Carlisle (the Museum).
- (B) Following a review of the Museum's governance, role and functions Carlisle has decided to devolve the operation and management of the Museum to a new registered charity capable of operating as an independent entity.
- (C) By establishing a new organisation with charitable status, the parties believe the Museum will remain aligned to the objectives and funding support of Carlisle while enhancing its ability to obtain charitable sources of funding from donors and other sponsors.
- (D) The charitable objects of MT are to advance the benefit of present and future generations of the public through the provision and operation of museum, art gallery and related services within Carlisle and the surrounding regions.
- (E) In furtherance of its charitable objects, MT is responsible for the operation and management of the Museum and the exhibition, interpretation, display and maintenance of the historic collections, artefacts and associated documentary and supporting materials for the benefit of the public.
- (F) Carlisle will continue to own the Collection and is entering into a separate agreement with MT (the "Collection Loan Agreement") which sets out the terms on which Carlisle will loan the Collection to MT. Carlisle will also continue to own the Museum's principal properties in Carlisle and is entering into leasehold agreements with MT which set out the terms on which Carlisle will lease the properties to MT.
- (G) Carlisle will provide Core Funding to MT towards the provision and operation of the Museum as provided for in this Agreement.
- (H) As a charity, MT is not permitted to trade other than in furtherance of its charitable objects (or in a way that is incidental or ancillary to the achievement of those objects). Therefore in order to be able to operate its retail, catering and other relevant commercial activities (including on-line activities), MT intends to establish Tullie House Museum Trading Limited (THMTM). THMTM will be a non-charitable wholly-owned subsidiary of MT. THMTM will carry on commercial activities and with the intent of passing any profits up to MT by way of Gift Aid.
- (I) To enable MT to carry out its charitable objects and undertake certain commercial activities, Carlisle and MT are entering into a licence agreement (the "IPR Licence") under which Carlisle grants MT certain rights to use all of the Museum's images, designs, names, maps, poster artwork, photographs and other existing and new materials (the "IPR Material").

- (J) The purpose of this Agreement is to set out the framework for the continued provision of the Museum, the operation and funding of MT and the long-term relationship of the parties. In accordance with its statutory powers, Carlisle will continue to support MT with funding and general resources as it did when the Museum was operated by Carlisle. MT will be responsible for ensuring that funding and resources provided by Carlisle are used wisely, prudently and efficiently in pursuance of the Trust's charitable objects.
- (K) Certain provisions of this Agreement will apply to the Collection Loan Agreement and IPR Licence and when this Agreement expires or is terminated, its application to those other agreements will also expire or terminate.

THE PARTIES AGREE as follows

In consideration of Carlisle undertaking its responsibilities, as set out in this Agreement, MT agrees to operate the Museum and undertake its other responsibilities as set out in the Agreements.

1. DEFINITIONS AND INTERPRETATION

1.1 Terms used in the Agreements shall have the meanings set out below (unless the context indicates otherwise):

"Admission Agreement"	an agreement entered into in accordance with the Local Government Pension Scheme (Administration) Regulations 2008
"Agreements"	together this Agreement, the Collection Loan Agreement, the Service Level Agreement and the IPR Licence
"Business Day"	any day other than a Saturday or Sunday on which banks are open for domestic business in the City of London
"Business Plan"	the forward business plan containing the information set out in clause 6 developed by MT in accordance with this Agreement which (amongst other things) specifies the amount of Core Funding to be approved and paid by Carlisle to MT
"Collection"	has the meaning set out in the Collection Loan Agreement
"Collection Loan Agreement"	the agreement between Carlisle and MT bearing even date herewith which sets out the terms under which Carlisle has agreed to loan the Collection to MT (as may be amended from time to time)
"Community Admission Body"	a body participating in the Local Government Pension Scheme in accordance with Regulation 5 of the Local Government Pension Scheme (Administration) Regulations 2008

"Compensation Regulations"	means the Local Government (Discretionary Payment) Regulations 1996 and the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006;
"Confidential Information"	all information provided to any party in confidence by or on behalf of the other in connection with the Agreements, whether in written or other form and whether before or after the date of the Agreements (including without limitation the terms and conditions of the Agreements and the commercial and financial arrangements evidenced by the Agreements)
"Core Funding"	the funding to be approved and provided by Carlisle to MT in accordance with this Agreement
"Employees"	the employees of Carlisle whose employment transferred to MT in accordance with the Staff Transfer Agreement
"FOI Legislation"	the Freedom of Information Act 2000, all regulations made under it and the Environmental Information Regulations 2004 and any amendment or re-enactment of any of them, and any guidance issued by the Information Commissioner, the Department for Constitutional Affairs, or the Department for Environment, Food and Rural Affairs (including in each case its successors) in relation to such legislation
"IPR Licence"	the intellectual property rights licence between Carlisle and MT bearing even date herewith (as may be amended from time to time)
"Local Government Pension Scheme"	the Local Government Pension Scheme established pursuant to Regulations made by the Secretary of State in exercise of powers under section 7 and 12 of the Superannuation Act 1972
"MLA"	the Museums, Libraries and Archives Council (and any successor body)
"Museum"	means the Tullie House Museum & Art Gallery, Carlisle
"Museum Properties"	the properties relating to the Museum Undertaking comprising 1st Floor, Shaddon Mill, Shaddongate, Carlisle; Tullie House

Museum and Art Gallery, Castle Street, Carlisle; Millennium Gallery, situate at Castleway and Annetwell Street, Carlisle; and Guildhall Museum, Redness Hall at the junction of Greenmarket Street and Fisher Street, Carlisle

“Museum Undertaking”

the undertaking of Carlisle relating to the Museum, including employees, contracts, assets, liabilities and the Museum Properties (but for the avoidance of doubt excluding IPR Material and the Collection)

“Redundancy Costs”

any redundancy payment calculated in accordance with the Compensation Regulations, any augmentation costs or financial strain payments to the Local Government Pension Scheme, any payment in lieu of notice, accrued holidays, together with any employer’s national insurance contributions;

“Staff Transfer Agreement”

an agreement between Carlisle and MT bearing even date herewith effecting the transfer of staff from Carlisle to MT (as may be amended from time to time)

“Service Level Agreement”

an agreement between Carlisle and MT bearing even date herewith under which Carlisle shall provide the Support Services to MT (as may be amended from time to time)

“Support Services”

the administrative and support services to be provided to MT by Carlisle to enable MT to operate the Museum, details of which are set out in Schedule 2 and in greater detail in the Service Level Agreement and as otherwise may be agreed by the parties in writing from time to time, subject to variation and/or termination thereof in accordance with the Service Level Agreement

“TUPE”

the Transfer of Undertakings (Protection of Employees) Regulations 2006

1.2 The rules of interpretation in **clauses 1.3 and 1.4** of this Agreement shall apply to all the Agreements, as if expressly set out in all the Agreements.

1.3 References to:

1.3.1 statutory provisions shall be construed as references to any statutory modification or re-enactment of such provisions (whether before on or after the date of this Agreement) for the time being in force and to any former statutory provision replaced (with or without modification) by

the provision referred to and shall include all statutory instruments or orders from time to time made pursuant to such provisions;

1.3.2 "persons" shall include references to unincorporated associations and references to the singular shall include the plural and references to the masculine shall include the feminine and vice versa;

1.3.3 "subsidiary" shall have the meaning set out in section 1159 of the Companies Act 2006;

1.3.4 "includes" and "including" shall be deemed to be followed by the words "without limitation"; and

1.3.5 "parties" means the parties to the Agreements (and "party" shall be to whichever party is relevant).

1.4 Headings are included for convenience only and shall not affect the interpretation or construction of the Agreements.

2. **COMMENCEMENT AND DURATION**

This Agreement shall commence on 5 May 2011 and shall continue in force until 31 March 2041, unless terminated earlier in accordance with **clause 16**.

3. **MT's RESPONSIBILITIES**

3.1 MT agrees, in accordance with its charitable objects and the terms of the Agreements, to operate and manage the Museum for the benefit of the public and to that end to:

3.1.1 exhibit, interpret, display and maintain the Collection;

3.1.2 provide a programme of public talks and events which promote the educational aims of MT;

3.1.3 provide library and information and enquiry services at the Museum by arrangement;

3.1.4 provide online access to the Collection and the Museum's information resources;

3.1.5 undertake such other activities and responsibilities as are agreed between the parties from time to time.

3.2 MT also agrees to maintain the Museum's accredited status with the MLA.

3.3 MT agrees, where it is necessary and lawful to do so, to take any action within its power and control and where appropriate to refrain from any action in order to facilitate Carlisle's compliance with its obligations under the funding agreement between North West Development Agency and Carlisle City Council dated 7 May 2010, relating to the provision of European Regional Development Fund and North West Development Agency Single Programme funding for the Carlisle Roman Gateway project. This shall include but not be limited to: providing Carlisle with any information available to MT and reasonably requested by Carlisle, accounting for revenue in any way reasonably specified by Carlisle, accepting any variation in funding reasonably required by Carlisle (subject to the provisions of clause 7), undertaking or refraining from publicity as reasonably

specified by Carlisle, and using the Museum Properties as reasonably required by Carlisle.

- 3.4 In the exercise of its obligations hereunder MT shall comply with all legal obligations howsoever arising in respect of such obligations hereunder and including its obligations as occupier of the Museum Properties and all or any arising in relation to regulation of conduct and activity at the Museum Properties and WITHOUT PREJUDICE to the generality of the foregoing MT will comply with all legal requirements relating to health and safety and licensing of activity undertaken at the Museum Properties.

4. **CARLISLE'S RESPONSIBILITIES**

- 4.1 Carlisle agrees throughout the duration of this Agreement (unless provided otherwise herein) to:

- 4.1.1 provide Core Funding to MT in accordance with **clauses 5, 7 and 10** of this Agreement;
- 4.1.2 loan the Collection to MT in accordance with the Collection Loan Agreement;
- 4.1.3 lease the Museum Properties to MT and Carlisle agrees to use all reasonable endeavours to complete the leases in respect of all Museum Properties (except Guildhall Museum, Redness Hall at the junction of Greenmarket Street and Fisher Street, Carlisle) by no later than 30 June 2011 (or such later date as MT may agree in writing);
- 4.1.4 grant MT the right to use Carlisle's intellectual property rights in accordance with the IPR Licence;
- 4.1.5 provide Support Services to MT in accordance with the Service Level Agreement.

- 4.2 Without prejudice to the generality of the foregoing, the parties acknowledge that Carlisle has issued a side letter on the date hereof to MT regarding the transfer of equipment, consumables and contracts.

5. **PROVISION OF CORE FUNDING**

- 5.1 Subject to the terms of this Agreement, Carlisle shall provide Core Funding to MT of such amounts as are approved by Carlisle in accordance with this clause 5 (or as otherwise agreed in writing between the parties).
- 5.2 Schedule 1 to this Agreement sets out the amount of Core Funding in respect of financial year 2011/12 which has been approved by Carlisle.
- 5.3 For the avoidance of doubt Core Funding will include Redundancy Costs in relation to any redundancies which MT may propose to carry out in the 12 months after the date on which this Agreement commences (up to a maximum of £100,000 or such other sum as may be agreed).
- 5.4 For the purposes of this clause 5 and clause 10, Core Funding which relates to Redundancy Costs shall only be paid to MT after MT has provided evidence that the employment of the person or persons to whom Redundancy Costs relate has been terminated on the grounds of redundancy.

- 5.5 In order to provide MT with a secure and stable basis for medium-term planning, the parties agree that starting in 2012/13 the Core Funding will be approved by Carlisle through a systematic and collaborative process on a three-year rolling basis against a Business Plan submitted by MT to Carlisle not later than 31 October each financial year which the parties shall use their best endeavours to agree by no later than 31 December each financial year.
- 5.6 Core Funding for 2012/13, 2013/14 and 2014/15 will be agreed through a Business Plan submitted by MT to Carlisle not later than 31 October 2011 and Core Funding for 2015/16 will be agreed through a Business Plan which covers the period 2013/14 to 2015/16 submitted by MT to Carlisle not later than 31 October 2012.
- 5.7 Each year thereafter Core Funding for the third subsequent financial year will be agreed through a Business Plan following the above process (Core Funding for the first and second subsequent financial years already having been agreed through the previous Business Plan following the above process).
- 5.8 The collaborative process for consideration of a Business Plan shall be as follows:
- 5.8.1 Carlisle will promptly review and comment on the draft Business Plan submitted by MT to Carlisle.
- 5.8.2 MT will promptly review Carlisle's comments on the draft Business Plan and prepare the final Business Plan and submit it to Carlisle.
- 5.8.3 Carlisle will promptly inform MT if Carlisle approves the Core Funding in the final Business Plan.
- 5.8.4 In the event that the parties cannot agree the Core Funding identified in a Business Plan within one month after the start of the period to which the applicable Business Plan relates or within such other timeframe as the parties may agree in writing MT shall notify Carlisle of any impact on the provision of the Museum service that would result from the level of Core Funding proposed by Carlisle and the associated targets and performance measures. If the Core Funding cannot be agreed and approved by Carlisle within three months after the start of the financial year to which the applicable Core Funding relates the provisions of clause 16.1.3 shall apply.
- 5.9 MT shall undertake all activities and responsibilities in all material respects as set out in the Business Plans.
- 5.10 MT acknowledges that the Core Funding is the total amount of funding to be provided by Carlisle in a financial year and will not be increased as the result of any overspend by MT (unless agreed otherwise in accordance with **clause 7**) but that it is without prejudice to any other funds which may be provided by Carlisle to MT under any other terms that may be specifically agreed.
- 5.11 There will be regular reporting by MT to Carlisle of actual performance against the Business Plans, together with action proposed by MT to correct significant adverse departures from planned performance.
- 5.12 Without prejudice to the generality of the provisions of clauses 5, 7 and 10 Core Funding will be subject to annual uplift on 1st April each year for:

- 5.12.1 salary inflation based on the percentage increase in the NJC Local Government pay award; and
- 5.12.2 all supplies and services and including all MT income (but excluding grant) and NNDR based on the previous year's Consumer Price Index (C.P.I) at September each year.

6. **CONTENT OF BUSINESS PLANS**

- 6.1 The Business Plan shall (amongst other things) specify in respect of the relevant period:
 - 6.1.1 MT's overall vision, purpose, key objectives and strategy for achieving them;
 - 6.1.2 key development and investment plans and their financial implications;
 - 6.1.3 MT's management and operating plans for the Museum and the Collection and maintenance plans for the Collection, reflecting the priorities agreed by the parties from time to time;
 - 6.1.4 developments proposed to MT's organisation, staffing arrangements and operating policies;
 - 6.1.5 projected income (both expected from Carlisle and other sources), revenue expenditure and capital expenditure for the next three financial years, including MT's assessment of any risk of fluctuation of the cost of performing its obligations under this Agreement and its proposals for managing such risks;
 - 6.1.6 the Core Funding which MT assesses it requires to be provided by Carlisle for each of the next three financial years with an explanation of the expenditure of MT for which the Core Funding is required;
 - 6.1.7 the key performance indicators and other relevant targets against which MT will report in accordance with **clause 9**; and
 - 6.1.8 such other information as Carlisle may reasonably require from time to time (which will be specified with reasonable advance notice).

7. **VARIATIONS TO AMOUNTS OF CORE FUNDING**

- 7.1 Without prejudice to clause 7.2, MT acknowledges that as a local authority Carlisle is subject to government expenditure requirements and constraints which may from time to time impact the amounts of Core Funding that Carlisle is in a position to provide. For its part Carlisle acknowledges that the Core Funding set out in the Business Plans provides essential planning assumptions for MT and will use all reasonable endeavours to ensure that the approved Core Funding in each Business Plan is not subject to changes, and in any event any such changes shall be subject to clause 7.2.
- 7.2 If Carlisle wishes to vary and MT wishes to request a variation to the amount of Core Funding in any Business Plan (for whatever reason), it shall consult with the other party with as much advance notice as reasonably possible, explaining the reasons for such proposed variation, and the parties shall first agree in writing the variation to the amount of Core Funding (amending in writing the

Business Plan to reflect this). No variation to the Core Funding shall be made unless the parties have agreed this in writing.

- 7.3 If Carlisle intends to take an action or make a decision which materially impacts (or will materially impact) on MT's costs including actions or decisions in relation to centrally-negotiated salary agreements or rent reviews then Carlisle shall use all reasonable endeavours to consult with MT before implementing that action or decision but Carlisle shall have the right to take any action or make any decision which it at its absolute discretion considers necessary.
- 7.4 If Carlisle takes an action or makes a decision which materially impacts (or will materially impact) on MT's costs, including actions or decisions in relation to centrally-negotiated salary agreements or rent reviews then Carlisle will review the amount of Core Funding to be provided and make such adjustments as Carlisle decides are appropriate and reasonable in the circumstances following reasonable consultation with MT and subject to clause 7.2.
- 7.5 If the amount of Core Funding is reduced MT shall be entitled to propose such variations to the manner in which it operates and manages the Museum and any key performance indicators and other relevant targets against which MT is measured or reports as it reasonably determines to be necessary to reflect such reduced funding and any such proposals made by MT shall be discussed by the parties during their consultation regarding the proposed reduction in Core Funding, as referred to in clause 7.2, but MT shall not make any such variations unless it has received the prior written approval of Carlisle in respect thereof.
- 7.6 In the event the parties are unable to agree a revised amount of Core Funding within two months of such revisions being requested or sought by either party in any circumstances, Carlisle shall have the right to decide and to inform MT that the amount of Core Funding agreed for the relevant financial year shall not be varied and shall continue.

8. CONSTRAINTS ON FINANCIAL EXPENDITURE

- 8.1 MT shall obtain Carlisle's written approval prior to incurring or committing to incur any expenditure relating wholly or partly to the Museum which in each case has not already been included in a Business Plan:
- 8.1.1 for capital items or projects including new construction, land, extensions or alterations to existing buildings and purchase of assets where any such expenditure is worth more than £35,000 in any case (or such other amount as may be agreed in writing by the parties) although, for the avoidance of doubt, MT acknowledges that its obligations under any lease entered into between MT and Carlisle may require MT to seek consent from Carlisle for expenditure of less than £35,000.
- 8.1.2 for any other purpose which has or could have significant cost implications, which for the avoidance of doubt shall include incurring any Redundancy Costs which give rise to any costs or financial strain payment under the Local Government Pension Scheme.
- 8.2 For the avoidance of doubt Carlisle's approval under this clause is required regardless of whether the source of funding for such expenditure is from Carlisle or a third party.

9. **REPORTING REQUIREMENTS**

- 9.1 MT will operate management information and accounting systems that will enable it to review its financial and non-financial performance against the Business Plan and enable it to provide such information as Carlisle may reasonably require in accordance with this Agreement.
- 9.2 MT will provide Carlisle with the following information:
- 9.2.1 a quarterly report reviewing its performance against the key performance indicators and other relevant targets set out in the Business Plan (or as agreed between the parties from time to time);
 - 9.2.2 periodic management accounts setting out income and expenditure, cash flow and balance sheet information compared to MT's annual budget, and such other detail as Carlisle may reasonably require; and
 - 9.2.3 such other information about MT's operations, relative performance, individual projects or other expenditure as Carlisle may reasonably require from time to time.
- 9.3 MT agrees to notify Carlisle immediately if it becomes apparent to MT that there will or may be any material variances or deviations from MT's annual budget.
- 9.4 The parties agree that the information to be provided to Carlisle by MT must be useful and relevant to both MT and Carlisle, and that the quality of information is more important than quantity. There will be regular meetings between the parties to discuss the information provided by MT.

10. **PAYMENT OF CORE FUNDING**

- 10.1 The Core Funding will be paid by Carlisle to MT as follows:
- 10.1.1 in respect of financial year 2011/12, in accordance with Schedule 1; and
 - 10.1.2 all payments in respect of April 2012 onwards, each of one month's Core Funding, will be made three months in advance on the first day of the relevant month so, by way of example, Core Funding for April 2012 will be paid by Carlisle to MT on 1st February 2012

and the Core Funding payment made in respect of June each year (which will be paid on 1st April each year) will, where applicable, be adjusted by an amount equal to the difference between the Core Funding payments already made in respect of April and May in that year (which will already have been paid in the previous financial year pursuant to clause 10.1.2) and the amount of Core Funding which is properly due to MT pursuant to this Agreement in respect of April and May in that year.

- 10.2 All payments to MT shall be paid by electronic transfer to such bank account as MT shall notify to Carlisle from time to time.
- 10.3 The payment of Core Funding which relates to Redundancy Costs shall be made in accordance with clause 5.4.
- 10.4 The arrangements for the payment of Core Funding shall be reviewed in the period between 1 June and 1 September 2014. The review shall consider

whether it is still necessary for payments of Core Funding to be paid in advance. The review shall be conducted by Carlisle and discussed with MT and the parties shall reach agreement by 31 October 2014 as to whether any variation in the arrangements for the payment of Core Funding is required. If the parties do not agree in writing by 31 October 2014 that any variation in the arrangements for the payment of Core Funding is required, the arrangements for the payment of Core Funding shall continue as set out in this clause 10.

- 10.5 All sums payable by Carlisle under or in connection with the Agreements are expressed exclusive of VAT. Where VAT or any other tax in substitution thereof is or becomes payable on any such sums, such VAT or other tax shall be paid by Carlisle in addition at the appropriate rate.

11. **GOVERNANCE**

- 11.1 MT undertakes that MT and MT's Board members shall:

- 11.1.1 ensure that high standards of corporate and charity governance are observed at all times;
- 11.1.2 establish the overall strategic direction of MT within the policy and resources framework agreed with Carlisle from time to time;
- 11.1.3 ensure that the Board observes all relevant legal requirements which apply to the Board including those relating to the use of public funds;
- 11.1.4 take into account significant policy requirements of Carlisle (to be specified by Carlisle from time to time);
- 11.1.5 ensure that adequate internal management and financial controls are maintained by MT including effective measures against fraud and theft and the preparation of a statement on the system of internal financial control;
- 11.1.6 maintain a comprehensive system of internal delegated authorities which should be notified to all staff, together with a system for regularly reviewing compliance with such delegations; and
- 11.1.7 consult with Carlisle in relation to the appointment of MT's Chief Executive.

- 11.2 The Chief Executive of MT shall be responsible for the overall organisation, management and staffing of MT and for ensuring that there is a high level of financial management control in MT as a whole.

- 11.3 Where Carlisle has reasonable cause for concern and after giving MT due notice in writing, Carlisle reserves a right of access to carry out independent reviews of MT's processes and procedures and MT shall allow Carlisle and Carlisle's authorised representatives, nominees or external auditors access at any reasonable time to its offices, assets, records and staff for the purposes of monitoring the activities and the use of Core Funding.

- 11.4 MT shall take all reasonable steps to appraise the financial standing of all third parties with which it intends to enter into contracts.

11.5 The Chair of MT and the Leader of Carlisle shall meet at least once a year to discuss the performance, funding, and other relevant matters covered by the Agreements. The Chair and Chief Executive of MT shall appear at Carlisle Overview and Scrutiny Panels or other appropriate Council bodies to inform Councillors about MT's policies, plans and performance, answer questions and acquaint MT with Councillors' points of view.

12. **SPONSORSHIP AND DONATIONS**

12.1 Notwithstanding the Core Funding to be provided by Carlisle, MT shall use its reasonable endeavours to secure and attract third party funding for the Museum and to develop sustainable funding streams in support of MT's charitable activities.

12.2 MT shall ensure that Carlisle's views are considered before accepting sponsorship or donations offered to or received by MT relating wholly or partly to the Museum.

13. **INSURANCE AND SUPPORT SERVICES**

13.1 Unless agreed otherwise by the parties in writing, throughout the term of this Agreement each party shall take out and maintain with reputable insurers, insurance policies of the types and with coverage of no less than the amounts as is indicated in Schedule 3 as being that party's responsibility. In the event of any claim arising under any such insurance, each party shall co-operate fully with the other party where requested to do so by the other party in relation to the conduct of the claim and its resolution.

13.2 From the start of this Agreement Carlisle shall provide Support Services subject to variation by MT in accordance with the terms of the Service Level Agreement between Carlisle and MT. The parties intend that, subject to the rights in the Service Level Agreement which allow Carlisle and MT to vary the arrangements, Carlisle shall provide the Support Services free of charge and Carlisle and MT shall share equally any cost savings in the provision of the Support Services

14. **TUPE AND PENSIONS**

14.1 The parties acknowledge that TUPE applies to the transfer of the Employees and both parties agree to comply with their respective obligations under TUPE and under the Staff Transfer Agreement.

14.2 The Council and MT shall enter into an Admission Agreement with Cumbria County Council under which MT will become a Community Admission Body to enable the transferring employees to remain members of or eligible to become members of the Local Government Pension Scheme. The Council and MT shall comply with their obligations under the Admission Agreement.

15. **FURTHER ASSURANCE AND FORCE MAJEURE**

15.1 The parties shall do all necessary acts within their power for effectively performing their obligations under the Agreements and shall procure the convening of all such meetings and shall do or procure all such other acts and things as shall be necessary to give effect to the provisions of the Agreements.

15.2 No party shall have any liability or be deemed to be in breach of the Agreements for any delays or failures in performance of the Agreements which result from circumstances beyond the reasonable control of that party, including labour

disputes involving that party but excluding any payment obligations, provided that the party affected by such circumstances shall promptly notify the other party in writing when such circumstances cause a delay or failure in performance and when they cease to do so and shall use its best endeavours to avoid and (where that is not possible) overcome as soon as reasonably practicable such circumstances and resume normal performance of the Agreements.

16. **TERMINATION**

16.1 Any or all of the Agreements may be terminated by Carlisle or MT in the following circumstances:

16.1.1 immediately upon giving the other party written notice if the other party fails to comply in a material manner with any of its undertakings and obligations in any of the Agreements and such failure is not remedied within 45 days (or such other period as may reasonably be agreed) of receipt by it of written notice from the party not in default requiring it to comply; or

16.1.2 immediately if any action is taken preparatory to or with a view to the winding-up of MT or an administrator is appointed in respect of MT or MT becomes insolvent or is unable to pay its debts or enters into dealings with any of its creditors with a view to avoiding, or in expectation of, insolvency or stops or threatens to stop payments generally or an encumbrancer takes possession or an administrative receiver is appointed to the Collection; or

16.1.3 upon giving the other party at least six months' written notice if after exhaustive consultation:-

16.1.3.1 the parties cannot agree the Core Funding in respect of any financial year as presented within a Business Plan within three months after the start of that financial year or within such other timeframe as the parties may agree in writing; or

16.1.3.2 the parties are unable to agree a revised amount of Core Funding within three months of such revisions being requested or sought by either party in any circumstances; or

16.1.3.3 either party does not accept a decision of an independent mediator pursuant to clause 28

provided that each party agrees that it shall only exercise its rights to terminate in the circumstances referred to in clause 16.1.3.1, 16.1.3.2, or 16.1.3.3 where in its reasonable opinion the parties' inability to agree the Core Funding or any revisions to Core Funding (in the case of clauses 16.1.3.1 and 16.1.3.2) or the decision of the mediator (in the case of clause 16.1.3.3) has a significant adverse effect upon MT's ability to operate and manage the Museum in accordance with this Agreement and the relevant Business Plan.

16.2 Any or all of the Agreements may be terminated by MT immediately upon giving Carlisle written notice in the event that the parties have not entered into leases in respect of all the Museum Properties before 30 September 2011 (or such later date as MT may agree in writing) or in the event that MT is obliged to vacate any

of the Museum Properties by Carlisle or by anyone else with a proprietary interest in any of the Museum Properties (including superior landlords and other tenants) prior to completion of the applicable lease or underlease in respect thereof between Carlisle and MT as referred to above.

- 16.3 For the avoidance of doubt, it is recognised that the parties may terminate any or all of the Agreements at any time by mutual agreement.
- 16.4 The expiry or termination of this Agreement, the Collection Loan Agreement or the IPR Licence shall automatically result in the termination of all the Agreements unless the parties agree otherwise in writing.
- 16.5 Termination of any or all of the Agreements shall not prejudice or affect any right of action or remedy which has accrued or shall accrue to either party.

17. **CONSEQUENCES OF TERMINATION**

- 17.1 In the event that any or all of the Agreements expire or are terminated for whatever reason:
 - 17.1.1 Carlisle shall, in consultation with MT, determine the future of the Museum and the future transfer of the Museum Undertaking;
 - 17.1.2 MT shall reasonably co-operate with and assist Carlisle to ensure a smooth handover or transfer of the Museum Undertaking to Carlisle or a third party;
 - 17.1.3 MT and Carlisle if appropriate shall comply with their obligations under TUPE and Carlisle shall procure compliance with each of the foregoing by any third party referred to in clause 17.1.2; and
 - 17.1.4 MT shall hold the Collection until such time as Carlisle or a third party approved by Carlisle is able to collect or take repossession of the Collection.
- 17.2 This **clause 17 and clause 21** shall survive the expiry or termination of the Agreements.

18. **ASSIGNMENTS AND SUCCESSOR BODIES**

- 18.1 Except as may be expressly set out in any of the Agreements, none of the rights or obligations under the Agreements may be assigned or transferred to any other person.

19. **ANNOUNCEMENTS**

No announcement concerning the subject matter of the Agreements shall be made before or after the date of this Agreement by either party other than as required by law without the prior written approval of the other party (such approval not to be unreasonably withheld or delayed).

20. **DATA PROTECTION**

In relation to all personal data, Carlisle and MT shall at all times comply with their obligations under the Data Protection Act 1998 ("DPA") including maintaining a valid and up to date registration or notification under the DPA covering all data processing to be performed in connection with the Agreement.

21. **CONFIDENTIALITY**

- 21.1 Carlisle and MT shall at all times keep confidential any Confidential Information which either party may acquire in relation to the other or in relation to this Agreement and shall not use any such information except in connection with the performance of this Agreement and exercise of rights under this Agreement nor disclose any such information except:
- 21.1.1 to a party's professional advisers where such disclosure is for a purpose related to the operation of this Agreement; or
 - 21.1.2 with the written consent of the other party; or
 - 21.1.3 as may be required by law, or governmental or other regulatory body, when the party concerned shall, if practicable, supply a copy of the required disclosure to the other before it is disclosed and incorporate, if practicable, any amendments or additions reasonably requested by the other; or
 - 21.1.4 where it has come into public domain otherwise than by breach of this clause.
- 21.2 The obligation of the parties under **clause 21.1** shall continue without limit in time and survive expiry or termination of the Agreements.

22. **FREEDOM OF INFORMATION**

- 22.1 MT acknowledges that Carlisle is subject to the FOI Legislation and Carlisle acknowledges that MT is not subject to the FOI Legislation. Each party agrees to comply with all reasonable policies in relation to information relevant to MT activities, access and compliance which may be communicated by Carlisle to MT in writing and agrees to assist and co-operate with the other party to enable compliance with all obligations under the FOI Legislation, including providing to the other party such information in its possession which is the subject of an information request under the FOI Legislation (within a timeframe that enables compliance with the FOI Legislation) but subject in each case to the exemptions under the FOI Legislation including in Part II of the Freedom of Information Act 2000.
- 22.2 MT acknowledges that Carlisle may be obliged under the FOI Legislation to disclose information without consulting or obtaining prior consent from MT and that Carlisle is responsible for determining whether information is exempt information under the FOI Legislation and for determining what information will be disclosed in response to an Information Request in accordance with the FOI Legislation although Carlisle agrees to act reasonably in all such respects and in making any such determination.

23. **LEGISLATION**

Neither party shall do anything in the course of carrying out its obligations under the Agreements which will or may reflect adversely upon the business integrity, reputation or goodwill of the other party.

24. **COMMUNICATIONS**

- 24.1 Except as expressly provided otherwise in any of the Agreements, any notices or other documents to be given under the Agreements shall be in writing in English

and shall be deemed to have been duly given if delivered by hand or by registered post or by facsimile or (except in the case of any notices relating to any breach or termination of any of the Agreements) by email, to the designated contact person of other party at the addresses set out in **clause 24.3** below, or such other person or address as any party may from time to time designate by written notice to the other.

24.2 Any such notices or other documents shall be deemed to have been received by the addressee two Business Days following the date of despatch if the notice or other document is sent by registered post, or on the next business day after delivery if sent by hand or by successfully transmitted facsimile or by successfully transmitted email.

24.3 The parties' contact details, as referred to in clause 24.1 are as follows:

For Carlisle: The Assistant Director - Community Engagement, Civic Centre, Carlisle CA3 8QG, Fax: 01228 817008.

For MT: the Chief Executive or in the absence of a Chief Executive the most senior MT employee - Castle Street, Carlisle, Cumbria CA3 8TP, Fax: 01228 810249.

25. **SEVERABILITY**

If any provision of any of the Agreements is held by any court or competent authority to be void or unenforceable in whole or in part, the other provisions of the Agreements and the remainder of the affected provision shall continue to be valid. The parties shall then use all reasonable endeavours to replace the invalid or unenforceable provision by a valid provision the effect of which is the closest possible to the intended effect of the invalid or unenforceable provision.

26. **WAIVERS**

Any waiver of a breach or default of any of the provisions of any of the Agreements shall not be construed as a waiver of any succeeding breach of the same or other provisions nor shall any delay or omission by a party to exercise or avail itself of any right, power or privilege that it has or may have under the Agreements operate as a waiver of any breach or default.

27. **ENTIRE AGREEMENT AND VARIATIONS**

27.1 This Agreement and all documents referred to in this Agreement constitute the entire agreement between the parties and supersede any prior agreement or arrangement in respect of its subject matter.

27.2 Any and all of the Agreements may only be varied by the written agreement of the parties, signed by duly authorised representatives of the parties.

28. **DISPUTE RESOLUTION**

28.1 If any dispute or difference arises between the parties in relation to any matter covered by any of the Agreements (including any matters which require agreement or approval of the parties) or in connection with their construction, meaning or effect, the parties shall work together in good faith (without publicity) to resolve the dispute or difference between themselves as soon as reasonably practicable.

28.2 If necessary, the dispute or difference shall be escalated jointly to the Chair of MT and the Leader of Carlisle for joint resolution, failing which, if the dispute or difference remains unresolved for a period of 28 days from the date on which either party gives the other party written notice of the dispute or difference and requiring its resolution, the matter shall be referred to an independent mediator appointed jointly by the Chair of MT and the Leader of Carlisle (and if following written notice by either party to the other they fail to agree on such an appointment, then to an independent mediator appointed by the Chair of MLA) who shall act as an impartial expert and shall use all reasonable and relevant criteria to reach a decision and whose decision shall be final and binding on the parties (subject to clause 16.1.3). Both parties shall co-operate with the mediator and provide such information and assistance as may be reasonably requested by the mediator. The parties shall share equally the cost of referring the matter to a mediator.

29. **RIGHTS OF THIRD PARTIES**

No term of any of the Agreements will be enforceable by any person who is not a party to the Agreements provided that this will not affect any rights of such a person which might exist otherwise than under the Contracts (Rights of Third Parties) Act 1999.

30. **NO AGENCY OR PARTNERSHIP**

30.1 Nothing in the Agreements shall be deemed to constitute a partnership or joint venture between the parties nor constitute either party the agent of the other party.

30.2 Neither Party shall act or describe itself as the agent of the other party, nor shall it make or represent that it has authority to make any commitments on the other party's behalf, including but not limited to the making of any representation or warranty and the exercise of any right or power.

31. **GOVERNING LAW**

The Agreements shall be governed by and construed in accordance with English law and the parties agree to submit to the exclusive jurisdiction of the English courts.

THIS AGREEMENT has been signed for and on behalf of the parties by their duly authorised officers on the day and year written above.

THE SEAL OF THE COUNCIL OF THE CITY OF CARLISLE WAS AFFIXED IN THE PRESENCE OF

Signed -----

Name -----

SIGNED by)
duly authorised to sign for and on behalf of)
TULLIE HOUSE MUSEUM AND ART)
GALLERY TRUST)
in the presence of:

Witness signature:

Name:

Address:

Occupation:

SCHEDULE 1**Core Funding for financial year 2011/12**

Financial Year	Amount
-----------------------	---------------

2011/12	£1,314,420 pro rata *
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*11/12's of the Core Funding of £1,314,420 in respect of 2011/12 represents £1,204,885 which will be paid over to MT as follows;

5/5/11 £328,605 plus VAT in respect of May, June and July 2011
1/6/11 £109,535 plus VAT in respect of August 2011
1/7/11 £109,535 plus VAT in respect of September 2011
1/8/11 £109,535 plus VAT in respect of October 2011
1/9/11 £109,535 plus VAT in respect of November 2011
1/10/11 £109,535 plus VAT in respect of December 2011
1/11/11 £109,535 plus VAT in respect of January 2012
1/12/11 £109,535 plus VAT in respect of February 2012
1/1/12 £109,535 plus VAT in respect of March 2012.

SCHEDULE 2

Support Services

Human Resources (HR)

Payroll

Information & Communication Technology (ICT)

Building Maintenance/Surveyors

Health & Safety

SCHEDULE 3

Insurance

INSURANCE RESPONSIBILITIES RE TULLIE HOUSE TRUST

The Council of the City of Carlisle

Properties – Tullie House	£22,129,331
Guildhall	£ 1,381,975
Irishgate Bridge	£ 1,976,485
Specified All Risks – Museum exhibits and works of art (including 'in transit' and 'at repairer/restorer') :	£ 16,350,000
Exhibits on Loan :	£ 5,000,000
Public & Products Liability	£ 10,000,000
Engineering Inspection Fees	£900

Tullie House Museum and Art Gallery Trust

Contents – Tullie House (inc. Millennium Gallery)	£ 3,600,000 (collectively for
Guildhall	all such Museum Properties)
Shaddon Mill	

Specified All Risks

Working equipment, books, cameras, projectors, tape recorders:	£ 30,000
Audio visual display equipment:	£ 70,000
ATI Security System:	£ 34,000

Miscellaneous -

Money:	
Directors & Officers & Trustee's indemnity:	£ 1m
(Including Professional Indemnity)	
Fidelity Guarantee:	£ 250,000
Commercial & Legal Protection	£ 100,000

Computer All Risks	£100,000
Business Interruption	£ 2.5m (24 Month IP)
Employers Liability	£ 10m
Public & Products Liability	£ 10m