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- The Trust intends to improve communications with neighbours and users and is determined to be best neighbour possible alongside its remit to promote recreation.
- Trustees are reviewing and updating, where appropriate, the Trust governance documents to ensure an appropriate infrastructure is in place.

5. **Financial Report**

Geoffrey Fairclough (GF) presented the Operational Statements for 2012/13 and 2013/14 which had been previously published on the Trust's website and copies of which were available at the meeting.

He advised that he would answer any questions from members of the public on the accounts at the end of his report.

GF firstly apologised that the full accounts had not been published but it was important to understand the reasons for this, being:

- Draft accounts had not been completed in a suitable format and Trustees had requested that these be re-drafted.
- The 2012 Balance Sheet showed an amount due from the Trust to the Council and Trustees were currently in negotiations with the Council in regard to the appropriateness of including this as a liability.
- In past years accounts did not fully reflect the value of the Rec.

In addition the Leisure Centre requires inclusion within the accounts in the light of amendment to the Scheme although this will not impact on the 2013 and 2014 accounts.

The timetable for issue of the final accounts for 31 March 2013 and 2014 is 31 October 2014 but this is dependent on agreement with the Council regarding the liability appearing in past years Balance Sheets.

GF highlighted some points within the accounts:

- 2012/13 statement shows an increase in car parking income, this includes previous periods to bring payments due up to date.
- 2012/13 statement shows £50,000 costs which cover legal and external consultancy fees for the Charity Commission Scheme.
- 2013/14 statement includes income from Bath Rugby of circa £185,000 for arrears of rent which are part paid, with balance due later this week.
- 2012/13 statement shows £123,000 costs which cover legal and external consultancy fees for the Charity Commission Scheme and the Tribunal Hearing..
- VAT – currently the Trust is unable to recover VAT, however, following advice from Monahans, the Trust is about to register for VAT which will facilitate recovery of some amounts relating to the last six months. Target date for registration is 1 September 2014.
- Agreement of historic rent review with Bath Rugby has helped the financial position but regrettably a large sum has been absorbed by legal fees.
- Balance sheet will be improved in two ways
 - Proper valuation of the Recreation Ground and Leisure Centre which will give strength and improved borrowing powers
 - Writing off indebtedness to Council, currently under negotiation.
- If income from Leisure Centre and Rugby Club is excluded, total income is around £30,000 which is not sufficient to allow Trustees to achieve their objective to create sufficient income to run the Rec, improve facilities and provide an endowment for the future.

Questions raised by members of the public with responses given by Trustees:

- Clarification between Bath Rugby Club and plc?
 - Trustees confirmed that they were negotiating with Bath Rugby Limited.
- How has valuation of Ground been established as market value is premised on uses and amenity value and value to city as World Heritage site are intangible?
 - Trustees confirmed that:
 - valuation had been undertaken by Deloitte
 - report is commercially sensitive and is not subject to Freedom of Information Act

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- South stand was built by and is therefore the property of Rugby Club, so is therefore excluded
- Based on number of car parking spaces, does the Council not owe the Trust £3 million?
 - The whole Leisure Centre is the property of the Trust and not just the car park; how we deal with the past is being taken into account in the negotiations. The Trustees will maximise total income over the period they are entitled to that income.
 - Any amount owed by Council to the Trust is a liability for tax payers and Trustees are not expecting Council to readily agree to part with large amounts of tax payers money.
 - The Trust owns the Leisure Centre and therefore would be liable for demolition costs; negotiations with the Council include best possible rent and eventual demolition.
- Why are negotiations with Council taking so long?
 - There is a significant amount of money involved and Trustees want to achieve the best result for the Trust.
 - JLL are negotiating on Trust's behalf and Trustees are hopeful of an outcome with appropriate recognition of value.
- Can you confirm exact yearly lease rental to Trust?
 - 1996 Lease - Fire Track £2,000
 - 1995 Lease – Main Lease £27,544
 - Additional income Bath Rugby arising from East Stand, car parking, TV vans etc. in the range £140,000 to £150,000 giving total income from Bath Rugby in the range £170,000-£180,000.
 - Strict conditions are in place in leases in regard to assessment of rent and outcome from negotiations with Bath Rugby have been hard fought.
- Clarification on Business Rates paid by Bath Rugby?
 - Under 1995 lease, proportion of rates is borne by Trust; however as part of the Interim Proposals the Trust has agreed a new fixed percentage going forward and rates liability by Trust is now significantly less.

6. Future Arrangements for discussions with Recreation Ground Users and Stakeholders

The Chair advised that the Trustees intend introducing a new process and advised that going forward all Trust meetings will be held in private as is the norm for charity boards, with the exception of the AGM.

In order to have the on-going benefit of constructive input from interested parties Trustees are proposing that two forums be established, one for representatives of stakeholders and beneficiaries of the Trust within Bath and the other for users of the Recreation Ground. Each forum will be chaired by one of the Trustees and attended by the Trust's General Manager. Information on the forums will be published on the website but Trustees welcome any ideas on the process.

The Chair advised that due to restriction of time, those members of the public who had indicated a wish to raise questions to the Trustees, should select one of their questions to raise at the meeting, other questions would be answered through the Trust's website or in writing; if information is not commercially sensitive or legally privileged.

7. Questions and Comments from Public

- Mr Steve Osgood requested clarification on who Trustees regard as stakeholders.
 - This was confirmed by the Chair as being the general public at large.
- Mr Osgood also requested clarification as to when beneficiaries will be party to the negotiations with Bath Rugby; with the Planning Inspector having now excluded the Rec from the "Central Area" designation of BANES original core strategy (incorporating a 750 bed hotel, a new cultural/performance/arts venue and a new stadium on the Rec), what would be the financial benefit of withdrawing from negotiations with Bath Rugby plc and is there any reasons remaining why Trustees could not now executive their duties to the letter of the Governing Document.
 - Trustees advised that it is essential to maximise income from all sources. Bath Rugby has a lease until 2069 and the Trust requires the income from the East Stand in addition to any income from the Leisure Centre.
- Mr Jack Sparrow asked how Trustees intended to keep the Recreation Ground as an open

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space if agreement is given to a new East Stand lease.

- Trustees confirmed that the obligation for Bath Rugby Club in past short term leases in regard to reinstatement was unclear and this is being addressed in the new lease with an obligation is placed on the Club to have the East Stand area cleared for three months with a payment of £1,000 fine per day if this is not achieved.
- Mrs Rosie Carne asked for clarification on how much annual income is required to run the Trust charity as a sustainable managed operation meeting its charity objectives and how much money would the Charity Commission allow the Trust to hold in reserves?
 - Trustees advised that funds were required to make improvements to the Ground facilities and these would depend on the revenue generated. It was also advised that, looking at the accounts, expenditure was anticipated as circa £170,000 per annum. The Trustees also recognised that they had responsibility to the Charity Commission for amounts of reserves held.

Mrs Carne raised the issue of the Trust's costs for legal fees but Trustees declined to continue with this topic in light of Mrs Carne being one of the Appellants.

- Mr David Greenwood asked if Trustees were aware of the level of complaints from local residents in regard to noise and disturbance caused by events at the Recreation Ground, in particular the Spiegeltent and functions held in the Illustrious Suite by Bath Rugby and asked that all Terms and Conditions for events be considered by the Trustees with restriction on music.
 - Trustees advised that were very conscious of issues and their responsibility to balance recreation events versus consideration of neighbours. It was also advised that the new lease conditions for Bath Rugby would include requirement for impact assessments to be provided to the Trust in relation to certain events in addition to other issues so that improved control is retained by the Trust. Parameters for acceptable levels of noise would be set by Trustees.
- Cllr Manda Rigby advised that she would like responses to all her questions in writing.
- Mr Peter Downey congratulated Trustees for their work and acknowledged that maximisation of sport required a "bottomless pit" of money . He was sure that the Trustees would make a big contribution to the Recreation Ground and wished them the best of luck.
- In response to a question, Trustees confirmed that the Trust's Governing Document was available on the Charity Commission website. However, review of the document had been undertaken by the Trustees with approval earlier this afternoon and subject to Charity Commission approval, the revised document would be placed on the Trust's website shortly.

The meeting was closed.

Signed.....
Chair of Bath Recreation Ground Trust

Date.....