



Report

# Future of Bath Recreation Ground

January 2007



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## Introduction

In Autumn 2006 Ernst & Young were appointed to work on an options appraisal for the future of the Bath Recreation Ground. As part of this work, Bath & NE Somerset Council has prepared a report for the Trustees and Charity Commission which sets out the detailed background to the situation. A summary of this is set out below.

The Recreation Ground is a large area of land in the central area of Bath to the East of the River Avon. The land is held in a trust which deems that the land must be used for recreational purposes. Tenants on the Recreation Ground are Bath Rugby Club which is the single largest occupier, but also a tennis club, a croquet club and a drama group. Bath Leisure Centre is also located on Recreation Ground land.

The exact intent of the Conveyance to the Local Authority has been subject to much discussion. The exact legal position is set out in Section 3 of this document. The nature of this legal discussion has caused the legality of Bath Leisure Centre to be questioned as well as the suitability of the Recreation Ground as a location for Bath Rugby Club.

It is recognised that the future use of the Recreation Ground requires certainty and this has been brought into sharp focus because of a series of deadlines affecting the Rugby Club. At the end of the 2006/07 rugby season a tenancy agreement expires on part of the current rugby ground and without greater clarity on the position of the Recreation Ground it is unlikely that the trustees will be able to renew the agreement. This will threaten the continued position of the Rugby Club at the Recreation Ground.

In order to seek the clarity which is required, the trust has set about a wide ranging consultation exercise which is engaging the residents and stakeholders across the City of Bath and the surrounding area in a debate to understand their views on the use of the Recreation Ground. Following this exercise, the Trust will set out their proposed future approach and will engage with the Charity Commission to ensure that such an approach is acceptable.

Ernst & Young were commissioned to provide a financial and development view against the various options under consideration. This document sets out the findings of that review.

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## Executive Summary

### *Objective*

The objective of this report is to set out the various options for the future use of the Recreation Ground and assess the potential financial position of each of the options in terms of immediate cost and ongoing impact. The costs examined have been differentiated between the Trust<sup>1</sup> and The Council<sup>2</sup>.

The report also sets out some of the deliverability issues associated with each of the options.

### *Options*

The Council has led a consultation exercise to help understand the views of residents with regard to the future of the Bath Recreation Ground. The consultation exercise set out three broad options. These options were:

- § Reversion to minimal impact use
- § Variations to current use
- § Re-development

From a financial perspective the large considerations for the Trust and Council are the future position of the Rugby Club and the Leisure Centre. When the consultation options for the Recreation Ground are considered alongside the specific circumstances of the Leisure Centre and the Rugby Club, the options from a financial perspective broaden in the following manner:

#### Option 1 – Reversion to minimal impact use

- § Scenario 1a - Both Bath Rugby Club and the Leisure Centre vacate the Recreation Ground
- § Scenario 1b - Bath Rugby Club vacates and does not sell lease, but the Leisure Centre vacates

#### Option 2 – Variations to Current Use

- § Option 2a - Bath Rugby Club vacates and sells lease, but the Leisure Centre remains
- § Option 2b - Bath Rugby Club vacates and does not sell lease, but the Leisure Centre remains
- § Option 2c - Bath Rugby Club remains and the Leisure Centre vacates
- § Option 2d - Both Bath Rugby Club and the Leisure Centre remain at the Recreation Ground

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<sup>1</sup> Bath Recreation Ground Trust

<sup>2</sup> Bath & NE Somerset Council

## Executive Summary

### Option 3 – Significant Change

#### § Option 3a – Fundamental Redevelopment

##### *Key Influences on Financial Outcome*

Bath Rugby Club is the largest income generator on the Recreation Ground. The rent paid by the Club allows the Trust to operate at a small surplus, the Rugby Club pays its own maintenance costs, and the match day income results in a positive income flow to the Council. The cessation of Premiership Rugby at the Recreation Ground would adversely impact on both the Trust and the Council. Furthermore, to allow the Recreation Ground to revert to minimal impact use, the Trust would need to acquire the remainder of the lease interests of the Rugby Club (assuming it is a willing seller). This would involve a substantial one-off outgoing.

The Leisure Centre does not make a positive financial contribution to the Trust or Council. At present, the Leisure Centre occupies Trust land but pays no rent whilst at the same time the Council incurs a substantial deficit on its operation. Nevertheless, the removal of the Leisure Centre will involve demolition costs and ultimately the likelihood of a need for re-provision involving substantial one-off costs for the Council.

The various ‘full redevelopment’ options impact less directly on the immediate financial position of the Trust or the Council with the capital costs likely to be borne by other parties. The overall composition of any final scheme, however, will have an impact on the revenue position of both Trust and Council

##### *Results*

The financial outcomes are based upon a series of complex assumptions. These assumptions are detailed in Section 6. The summary outcomes of the detailed modelling work (detailed model provided in Appendix 1) is shown below:

Trust		Capital Cost (£000s)	07/08 Income & Expense Impact (£000s)
	<b>Reversion to Minimal Use</b>		
1a	RC and LC leave	(2,203)	(48)
1b	RC and LC leave (RC doesn't sell lease)	(1,000)	(36)
	<b>Variations on current use</b>		
2a	RC leaves (sells lease) and LC stays	(453)	(38)
2b	RC leaves (doesn't sell lease) and LC stays	750	(26)
2c	RC stays and LC leaves	(1,000)	12
2d	RC and LC stay	750	22
	<b>Redevelopment</b>		
3	Redevelopment	-	22

## Executive Summary

Council		Capital Cost (£000s)	07/08 Income & Expense Impact (£000s)
	<b>Reversion to Minimal Use</b>		
1a	RC and LC leave	(6,862)	-
1b	RC and LC leave (RC doesn't sell lease)	(6,862)	-
	<b>Variations on current use</b>		
2a	RC leaves (sells lease) and LC stays	(760)	(123)
2b	RC leaves (doesn't sell lease) and LC stays	(760)	(123)
2c	RC stays and LC leaves	(6,862)	(25)
2d	RC and LC stay	(760)	(148)
	<b>Redevelopment</b>		
3	Redevelopment	(1,000)	(237)

The most cost effective scenario for the Trust and Council is therefore a variation on the current use where both the Rugby Club and Leisure Centre remain in place.

### Implementation

The deliverability of the 3 options which were put to the stakeholder groups during the consultation exercise have been assessed in terms of time, risk and cost. The summary for these options is shown below:

	Option 1	Option 2	Option 3
	Reversion to minimal impact use	Variations to Current Use	Significant Change
Cost	The costs of delivery relate mainly to the purchase of the Rugby Club lease interests and the demolition of the Leisure Centre (and potential re-provision)	The costs of delivery will mainly fall upon the Rugby Club.	The costs of delivery will fall mainly upon any developer.
Risk	There is a risk that the Rugby Club would not relinquish their leasehold interests.	The main risk is that the Charity Commission frustrates the intention of the Rugby Club to	As with option 2 there is a risk associated with the Charity Commission and planning consent.

## Executive Summary

		expand its footprint of land. Risks also include gaining planning consent.	There is also a risk associated with land assembly, occupier negotiations and funding.
Timescale	If the Rugby Club does not relinquish its leasehold interests 'minimal impact use' cannot be achieved for a further 63 years.	<p>It is anticipated that any development could commence circa 2 years after Charity Commission consent.</p> <p>A decision by the Charity Commission which is delayed beyond the end of the 2006/07 season will place significant risk on the future of Premiership Rugby at the Recreation Ground.</p>	It is anticipated that the added complexity of the scheme could increase timescales by a further 12 months.

### Conclusion

Option 1 (Reversion to minimal impact use) results in a substantial one-off and ongoing cost to the Trust and the Council whilst the overall objective of returning the Recreation Ground to its status before the Rugby Club was established could be frustrated for 63 years if the Rugby Club refuses to relinquish its lease.

Option 2 (Variations to current use) assuming that the Rugby Club and Leisure Centre both stay has a low impact on Council and Trust finances and provides the greatest level of security of all the options over the future independent financial viability of the Trust.

Option 3 (Redevelopment) would be a difficult plan to implement. Ownership, funding and commercial negotiations will add an additional level of complexity over option 2. On this basis a large amount of uncertainty exists over the deliverability of this option. The deadline of the Rugby Club to have identified a secure future by the end of the 06/07 season and the importance of the Rugby Club to the financial viability of any possible scheme makes this option appear improbable.

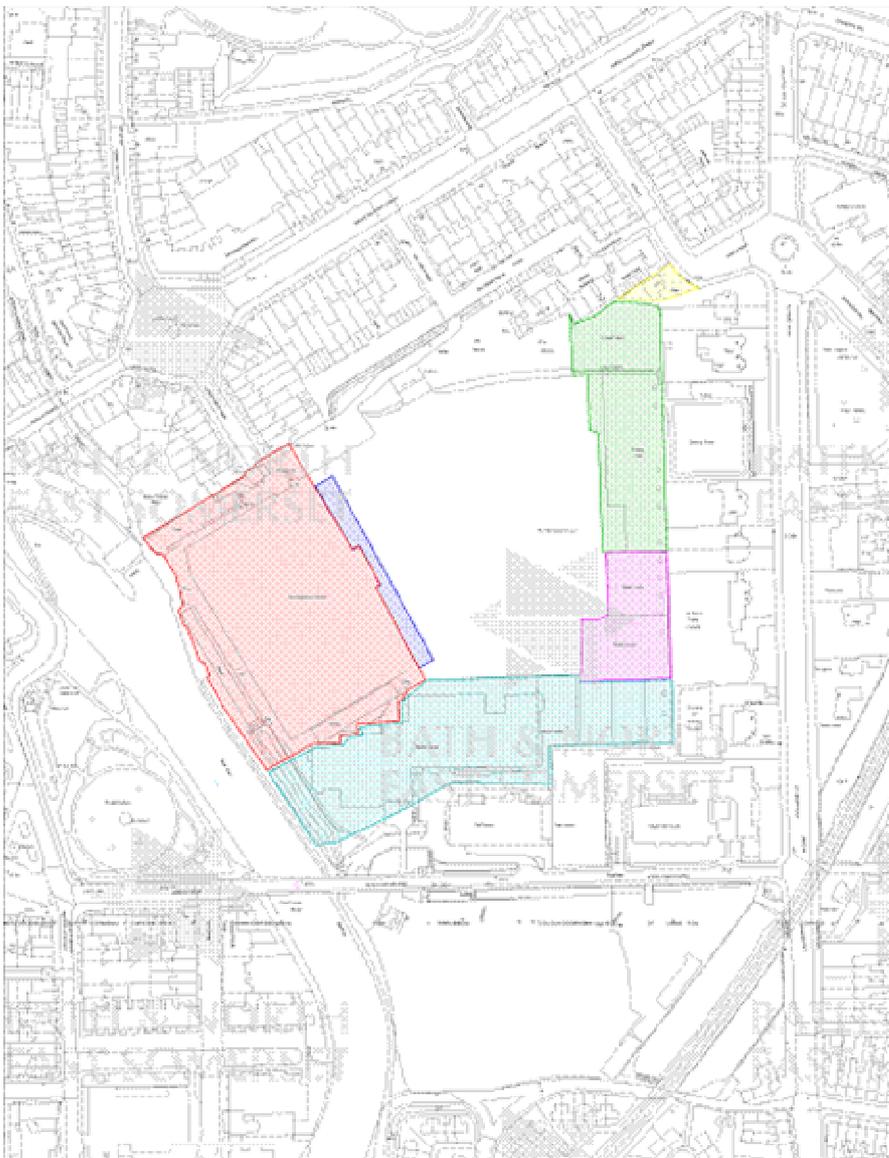
From the perspective of financial viability and likelihood of delivery, it is therefore difficult to propose any alternative to option 2.

## Background

The Recreation Ground comprises an area of 6.2 hectares (15.5 acres) in the centre of Bath. Currently, it is used for a range of activities: Bath Rugby Club; the Somerset Cricket Festival (although this may be moved to a new venue in 2007); a number of small clubs such as the Drama Club and Croquet Club; Bath Leisure Centre is located within the boundary; and there are tennis court facilities which are used by several tennis clubs.

The Recreation Ground is also used to host a variety of events throughout the year such as Firework displays and Fringe festival events.

The location and occupants of the Recreation Ground is illustrated below:



From the information provided by Bath and North East Somerset Council (“the Council” or B&NES) our understanding of the position today is as follows:

### Background

The land was conveyed to Bath Corporation on Feb 1, 1956. In summary, the terms of the conveyance were that the land should be held to manage, let or allow the use (with or without charge) of the whole or parts of the property, for the purpose or in connection with games and sports of all kinds.

The land should be kept as an open space and should not favour any particular game, sport or organisation.

The Recreation Ground was managed and maintained as a sports facility by the Council until July 31, 2002, when it was established by the High Court to be a charitable trust. There are a number of leases in existence with regard to the amenity:

#### **Bath Rugby plc**

Bath Rugby Club has several separate leases relating to its operations as a professional rugby club and its tenure at the Recreation Ground.

**Main Lease** - The main lease in existence comprises the rugby pitch, the West Stand and various other structures. This main lease has 63 years left to run. The club has constructed the South and North stands in addition to a clubhouse on this land. The current rent is £6,500 p.a. subject to five year rent reviews. The Trust has no maintenance liabilities for the land or buildings of the Rugby Club and in addition there is an agreement between the Trust and the club over car parking and other activities on match days which produce income of circa £12,000 p.a. for the Trust.

**Second Lease (tenancy agreement)** – The Club also uses a temporary stand, (an extension to the East stand) during the season. The latest agreement for this land will expire at the end of the 2006/07 season. Currently this agreement earns the Council £3,928.57 for each home game held at the Recreational Ground. The guaranteed income in 2006/07 is £58,928.55 (league fixtures), although income is likely to be closer to £70,000 subject to success in cup competitions and home draws.

**Third lease** – The Club lease 20 car parking spaces at the rear of the Leisure Centre. This lease has ten years remaining, is subject to 5 year rent reviews and the rent is currently £2,000 p.a. This income is currently taken by the Council (rather than the Trust) as the responsible body for the Leisure Centre.

The Receiver/Manager appointed by the Trust takes the view that the main lease and third lease which were granted prior to the Court's decision are valid and robust. The 'second lease', which expires this year, may not be granted an extension since the Charity Commission do not believe the presence of the Rugby Club to be consistent with the purposes of the Trust.

Without an extension, the Rugby Club will be unable to erect their temporary stand and will suffer a reduction in the capacity of the ground. This is likely to threaten their presence at the Recreation Ground.

#### **Leisure Centre**

In 1967 the Council sought legal advice to clarify if building a leisure centre would be a breach of the 'open space' term of the conveyance. Counsel's opinion was that as there were buildings already there, it would not be in breach of the conveyance. The Leisure Centre was built and opened in 1975.

## Background

The Charity Commission's view is that the effect of the Court's decision is that the building of the Leisure Centre was in breach of the terms of trust. As a result of this view, it is possible that the leisure centre will need to be removed.

Several options have been explored in order to avoid this eventuality, such as the Council purchasing the Leisure Centre from the Trust. This proposal was initially accepted but the Charity Commission have since considered it necessary to explore other options. This issue is still outstanding and is part of this options appraisal.

### **Bath Drama Club**

Bath Drama Club leases an area of land plus a building on the Recreation Ground. The lease has expired and any new lease may depend upon the outcome of the Strategic Review.

### **Bath Croquet Club**

Bath Croquet Club lease an area of land that encompasses croquet lawns, wooden sheds and car parking. The lease is due to expire in November, 2011.

### **Tennis Clubs**

Two tennis clubs make use of court facilities on the Recreation Ground on an annual licence basis.

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## Existing Position

B&NES Council acts as the trustee for the Recreation Ground but there are two separate entities to consider (the Council as a trustee and the Council as Local Authority) and as a result separate accounts for the Trust and the Council are maintained. The current financial position of the Trust is set out below.

### Trust

The overall management of the Recreation Ground is carried out by Bath Recreation Ground Trust. The Trust is responsible for all the expenditure involved in the maintenance and management of the Recreation Ground. The expenditure involved in running the Recreation Ground generally relates to maintenance and charges raised by the Council in respect of services provided to the Trust.

In addition, the Trust is the recipient of income from the activities undertaken on the Recreation Ground. The largest single source of income relates to the leases and tenancy agreement to the Rugby Club.

The Income and Expenditure Account for the Trust is set out below and demonstrates that in 2005/06 the Trust made a small surplus.

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## Existing Position

### Income

Collected by B&NES

Bath Rugby Club - parking & other fees	86,685
Bath Mini Rugby	162
Southdown Tennis Club	2,500
Spa Lawn Tennis	1,531
Somerset Cricket Festival	3,268
Bath Lacrosse	918
Students Union	243
Bath Croquet Club	2,769
Aquaterra Leisure	1,030
Stately Homes Tours	1,298
Other small miscellaneous lettings	1,026

**Total Income** **101,430**

### Expenditure

Grounds Maintenance Contract	48,849
Business rates	6,481
Repairs & maintenance - responsive	6,333
- servicing	538
- planned (drainage works)	-
Security costs	975
Electricity	924
Water charges	3,207
Advertising cost for Charity Commission public notice	-
Cost of administering Trust meetings	3,471
Internal recharges -	
Grounds services	8,609
Property services	5,964
Legal services	8,493

**Total Expenditure** **93,844**

### B&NES Council

In addition to the position of the Trust, it is also important to recognise the position of the Council in operating the Leisure Centre. At present the Leisure Centre is located on Trust land for which it makes no rental payment. The Leisure Centre operator (Aquaterra) received a subsidy of £237,000 in 2005/06. This subsidy is borne by the Council with no contribution from the Trust. The Leisure Centre does benefit from the contribution of £2000 per annum from the Rugby Club in respect of car parking on match days.

### Lease Analysis

The land use and associated lease costs of the different occupiers and licensees on the Recreation Ground are set out in the table below:

## Existing Position

Use	Area	Lease Cost	Cost / Sq m	%age of land area
	Sq m	£		
Recreation Ground Total Area	62044			100%
Open Space	25657			41%
Rugby Club - Main Lease	15541	6500	0.42	25%
Rugby Club - East Stand	1042	58928	56.55	2%
Leisure Centre	10778			17%
Tennis Club	2956	2031	0.69	5%
Croquet Club	5634	2769	0.49	9%
Drama Club	436	1600	3.67	1%

This illustrates the current lack of a consistent charging structure between the different occupiers and licensees. On the basis that the Trust is run as a viable but not for profit organisation it could be argued that they should share the overhead of a location within the Recreation Ground land. This would allocate the annual cost of the Recreation Ground on the basis of leased space.

If such an approach was taken to charging for the amenity, the charging structure would then be allocated as follows:

Use	Area	Proportion	Cost Share	Cost / Sq m
	Sq m			
Recreation Ground Expenditure	£94,000			
Rugby Club - Main Lease	15541	0.43	£40,148	£2.58
Rugby Club - East Stand	1042	0.03	£2,692	£2.58
Sports Centre	10778	0.30	£27,843	£2.58
Tennis Club	2956	0.08	£7,636	£2.58
Croquet Club	5634	0.15	£14,555	£2.58
Drama Club	436	0.01	£1,126	£2.58
Open Space	25657			

Such a charging structure would result in the following changes in overall costs to the occupiers and licensees:

	Current Cost	Shared Costs	Difference
Rugby Club - Main Lease	6500	40148	33648
Rugby Club - East Stand	58928	2692	-56236
Sports Centre	0	27843	27843
Tennis Club	2031	7636	5605
Croquet Club	2769	14555	11786

## Existing Position

Drama Club	1600	1126	-474
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It can be seen from this analysis that if a charging structure was applied on a not for profit basis, where the costs of the amenity were shared on the basis of proportionate land take, Bath Rugby Club would have a reduced charge and the remaining occupiers would suffer from an increase in costs.

This position would lead to a view that the Rugby Club is currently subsidising the existing occupiers or reducing the level of cost borne by the Trust (or Council as part of its policy to encourage sport and leisure). Certainly there is no evidence that Bath & NE Somerset is setting the fees for sport at an artificially low level as evidenced by the following table:

### Cost Comparison of charges between Local Authorities in the area

Activity		Bath/Rec	S.Glouce	Bristol	Swindon	W.Wilts
Football	season + facilities			561.00		597.40
Rugby	season no facilities			378.50		299.20
Hockey	match + facilities	62.50	53.05	56.60	55.00	59.85
	match no facilities			39.20		29.90
	training no posts/marks		13.80			
Cricket	season + facilities			504.00		785.00
	match + facilities	55.60	54.75	60.65	66.00	89.20
	Training no nets/marks		13.80			
Tennis	per court, per hour		4.20	5.00	7.50	4.05
	with floodlights		6.70			
	Seasonal *	78.80/ 87.50		174.80		
Croquet	**				4.40	
All Weather Courts	full pitch per hour with floodlights		49.65			
	per court per hour with floodlights		57.05			
				11.00		
				14.50		

This table broadly shows that Bath & NE Somerset do not appear to charge too little for the provision of leisure facilities and the charges levied by the Trust are therefore what would be reasonably expected by sport and recreation club occupiers.

There is no requirement for the Trust to simply break even. Indeed the Trust has a requirement to seek value from the assets it controls. There is a requirement to consider whether the Rugby Club is charged an appropriate level of rent for its leases. Certainly the current situation of a

## Existing Position

temporary licence charged at a rate significantly higher than the main leases suggests that one of these charging structures is inappropriate.

It is difficult to assess the appropriate lease charge for a Rugby Ground. There are a few detailed accounts published for the Rugby or Football Clubs who lease their grounds. The circumstances also differ. Some clubs may pay a ground lease, others rent the stadium whilst others still pay a charge as part of a sale and leaseback agreement.

Three examples have been identified from public accounts:

Club	Ground	Capacity	Annual Fee (£)	Comment
Oldham Rugby League	Boundary Park	13,600	£1500 per game (reduced from £3250)	Charge levied by Council
Wrexham FC	Racecourse Ground	15,500	30,000	Leased from Director
Crystal Palace FC	Selhurst Park	26,000	1,000,000	Sale & Leaseback

No effective evidence has been located to demonstrate that charges for stadium usage is generally made on an arbitrary basis.

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## Future Options

### Introduction

It is clear that the Recreation Ground cannot continue without some clarity for the future. At the end of the 2006/07 rugby season, the future of the Rugby Club on the Recreation Ground will be threatened and the status of the Leisure Centre also need to be regularised.

In an attempt to resolve the matter the Trust is undertaking a strategic review which will inform a future proposed strategy and lead to a dialogue with the Charity Commission.

As part of the strategic review exercise three broad options have been identified. These options are now being tested through a consultation exercise. Within the consultation process, these options have been described as:

- § Option 1 – Reversion to minimal impact use
- § Option 2 – Variations to the Current Usage
- § Option 3 – Significant Change

These headings were deliberately broad in order to test public opinion on the future of the Recreation Ground rather than try and test individual schemes, including the scale of changes acceptable to the public. Individual schemes will need to be developed if an overall option can gain approval through the consultation process, and importantly from the Charity Commission.

Ernst & Young has developed a financial model for each of the options considered in order to test financial viability. Given the breadth of the options, there are a number of scenarios within each option.

### Evaluation of the options available to the Trust and Council

From initial consultation and following analysis of the situation which currently exists and reported above, there appear to be seven basic scenarios that should be considered for the future use of the Recreation Ground in Bath.

#### *Option 1 – Reversion to minimal impact use*

- § Scenario 1a - Both Bath Rugby Club and the Leisure Centre vacate the Recreation Ground
- § Scenario 1b - Bath Rugby Club vacates and does not sell lease, but the Leisure Centre vacates

#### *Option 2 – Variations to Current Use*

- § Option 2a - Bath Rugby Club vacates and sells lease, but the Leisure Centre remains
- § Option 2b - Bath Rugby Club vacates and does not sell lease, but the Leisure Centre remains
- § Option 2c - Bath Rugby Club remains and the Leisure Centre vacates
- § Option 2d - Both Bath Rugby Club and the Leisure Centre remain at the Recreation Ground

## Future Options

### *Option 3 – Significant Change*

#### § Option 3a – Fundamental Redevelopment

An assumption has been made in the options appraisal that in order for Bath Rugby Club to remain at the Recreation Ground, the Club will need to be granted the ‘second lease’ and perhaps some additional land. It is assumed that the Rugby Club would not play professional rugby without the temporary stand or an equivalent. As a result the income associated with rugby matches which accrues to the Trust is lost without a ‘second lease’.

In reality the granting of the ‘second lease’ would not take place. Any renegotiation of the ‘second lease’ would represent a substantive change which would result in the entire contractual position of the Rugby Club tenancy being renegotiated.

The key cost / income related issues associated with each scenario are set out in the tables below from which a financial model has been developed.

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## Future Options

Option 1a – RC <sup>3</sup> and LC vacate (RC relinquishes the lease)	Option 1b – RC and LC vacate (RC refuses to relinquish the lease)
<p><b>One-off costs</b></p> <ul style="list-style-type: none"> <li>○ Potential cost of breaking the lease(s) on the rugby ground</li> <li>○ Cost of demolishing stand and buildings at rugby club</li> <li>○ Cost of demolishing Leisure Centre (LC) – cost for the Council rather than the Trust</li> <li>○ Cost of breaking any 3<sup>rd</sup> Party contracts in place at LC and rugby club – Aquaterra.</li> <li>○ Cost of any leisure centre redundancies for council in settlement of Aquaterra contract</li> </ul> <p><b>Ongoing costs</b></p> <ul style="list-style-type: none"> <li>○ Loss of LC income</li> <li>○ Loss of income from all rugby club leases</li> <li>○ Loss of parking income</li> <li>○ Loss of conference amenities provided at no cost by RC.</li> <li>○ Any increased ongoing maintenance of Recreation Ground</li> <li>○ Question over ability to gain additional revenue from the recreation ground</li> <li>○ Additional maintenance costs of the site currently paid by Rugby Club or occupied by Leisure Centre</li> </ul> <p><b>Ongoing savings</b></p> <ul style="list-style-type: none"> <li>○ Saving of LC operating/maintenance costs</li> <li>○ Saving on RC maintenance costs (minimal)</li> <li>○ Saving on receiver’s fee for managing the Trust although a receiver still required</li> <li>○ Saving on costs of waste collection and repairs</li> </ul>	<p><b>One-off costs</b></p> <ul style="list-style-type: none"> <li>○ Cost of demolishing Leisure Centre (LC) – cost for Council only not Trust</li> <li>○ Cost of building new LC</li> <li>○ Cost of breaking any 3<sup>rd</sup> Party contracts in place at LC – Aquaterra.</li> </ul> <p><b>Ongoing costs</b></p> <ul style="list-style-type: none"> <li>○ Loss of LC income</li> <li>○ Loss of income from rugby club second lease</li> <li>○ Loss of parking income</li> <li>○ Any ongoing maintenance of Recreation Ground</li> <li>○ Loss of conference amenities provided at cost by the RC</li> <li>○ Additional maintenance costs of the site currently occupied by Leisure Centre</li> </ul> <p><b>Ongoing savings</b></p> <ul style="list-style-type: none"> <li>○ Saving of LC operating/maintenance costs</li> <li>○ Saving on receiver’s fee for managing the Trust</li> <li>○ Saving on costs of waste collection and repairs to public property on match days</li> </ul> <p><b>Potential Cost</b></p> <ul style="list-style-type: none"> <li>○ Relocation of the leisure centre</li> </ul>

<sup>3</sup> RC refers to Rugby Club. LC refers to Leisure Centre

### Future Options

<p>to public property on match days</p> <p><b>Potential Cost</b></p> <ul style="list-style-type: none"><li>○ Relocation of the leisure centre</li></ul>	
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<p><b>Option 2a – RC vacates and sells lease, LC stays</b></p> <p><b>One-off costs</b></p> <ul style="list-style-type: none"> <li>○ Cost of buying the lease(s) on the rugby ground</li> <li>○ Cost of demolishing stand and buildings at rugby club</li> <li>○ Potential cost of buying LC site to provide certainty over future tenure</li> </ul> <p><b>Ongoing costs</b></p> <ul style="list-style-type: none"> <li>○ Loss of income from rugby club leases</li> <li>○ Loss of parking income</li> <li>○ Loss of conference amenities provided at no cost by RC.</li> <li>○ Continued LC losses</li> <li>○ Additional maintenance costs of the site currently paid by Rugby Club</li> </ul> <p><b>Ongoing savings</b></p> <ul style="list-style-type: none"> <li>○ Saving on RC maintenance costs (minimal)</li> <li>○ Saving on receiver’s fee for managing the Trust</li> <li>○ Saving on costs of waste collection and repairs to public property on match days</li> </ul>	<p><b>Option 2b – RC vacates and does not sell lease, LC stays</b></p> <p><b>One-off costs</b></p> <ul style="list-style-type: none"> <li>○ Potential cost of buying LC site to provide certainty over future tenure</li> </ul> <p><b>Ongoing costs</b></p> <ul style="list-style-type: none"> <li>○ Loss of income from rugby club ‘Second Lease’</li> <li>○ Loss of parking income</li> <li>○ Continued LC losses</li> </ul> <p><b>Ongoing savings</b></p> <ul style="list-style-type: none"> <li>○ Saving on RC maintenance costs (minimal)</li> <li>○ Saving on receiver’s fee for managing the Trust</li> <li>○ Saving on costs of waste collection and repairs to public property on match days</li> </ul>
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Future Options

<p><b>Option 2c – RC stays, LC vacates</b></p> <p><b>One-off costs</b></p> <ul style="list-style-type: none"> <li>○ Cost of demolishing Leisure Centre (LC)</li> <li>○ Cost of building new LC</li> <li>○ Cost of breaking any 3<sup>rd</sup> Party contracts in place at LC</li> <li>○ Redundancy costs payable to LC staff</li> </ul> <p><b>Ongoing costs</b></p> <ul style="list-style-type: none"> <li>○ Loss of LC income</li> <li>○ Loss of parking income from LC ground</li> <li>○ Ongoing cost of receiver working for Trust</li> <li>○ Additional maintenance costs of the site currently occupied by Leisure Centre</li> </ul> <p><b>Ongoing savings</b></p> <ul style="list-style-type: none"> <li>○ Saving of LC operating/maintenance costs</li> <li>○ A new lease is agreed for the extended footprint</li> </ul> <p><b>Potential Cost</b></p> <ul style="list-style-type: none"> <li>○ Relocation of the leisure centre</li> </ul>	<p><b>Option 2d – RC and LC stay</b></p> <p><b>One-off costs</b></p> <ul style="list-style-type: none"> <li>○ Cost of buying the RC land from the Trust</li> <li>○ Legal cost of buying LC from the Trust</li> <li>○ Cost of purchasing LC from Trust</li> </ul> <p><b>Ongoing costs</b></p> <ul style="list-style-type: none"> <li>○ Expansion of RC will increase match day Council costs</li> <li>○ If land cannot be purchased Trust management fees will continue</li> </ul> <p><b>Ongoing savings</b></p> <ul style="list-style-type: none"> <li>○ A new lease is agreed for the extended footprint</li> </ul>
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## Future Options

<p><b>Option 3a – Redevelopment</b></p> <p><b>One off costs</b></p> <ul style="list-style-type: none"><li>○ All one off costs borne by the developer</li><li>○ Grants may be sought to help fund development</li><li>○ Council will gain a potential receipt from sale of ‘Pavilion land’</li></ul> <p><b>Ongoing Costs</b></p> <ul style="list-style-type: none"><li>○ Loss of parking income from LC ground</li><li>○ Ongoing costs of receiver working for the Trust</li><li>○ Loss of existing RC lease income</li><li>○ Additional maintenance costs of the site currently paid by Rugby Club or occupied by Leisure Centre</li></ul> <p><b>Ongoing Savings</b></p> <ul style="list-style-type: none"><li>○ New lease income after redevelopment phase</li></ul>	
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## Assumptions within Financial Model

### Commentary by Option

The broad parameters of each of the scenarios were set out in Section 5. The financial aspects associated with each of these scenarios have been developed according to the following key assumptions.

It is important to note that the financial model examines the key changes associated with the options and creates a revised profit and loss account position for the Trust and the changes to the profit and loss position of the Council.

#### *Option 1a Rugby club and Leisure Centre vacate (RC relinquishes the Lease)*

For this scenario one off costs have been included for Breaking off the Rugby Ground Lease, Demolishing the stand and buildings at the Rugby club, Costs for the demolition of the LC and building a new LC. Estimated costs for breaking legal contracts for both the RC and the LC have also been included as well as an estimate for the any LC redundancies.

The net loss for the running of the leisure centre has not been included and neither has the cost of waste collection for the Council for match days as the RC is no longer present. Costs for the RC maintenance, the trust receiver fee and other costs have been reduced by 50%, 70%, 70% respectively to reflect the Rugby club no longer being at the Rec.

All income from the RC leases, RC parking income and LC parking has also been removed. The only remaining income is the other income (eg Croquet & Drama club) and an estimate of £20k for other income that could be generated by the Rec. 2008 – 2011 reflect these costs and incomes inflated by 2.5% p.a.

#### *Option 1b RC and LC vacate (RC refuses to relinquish lease)*

One off costs have been included for the demolition of the LC and building a new LC. Estimated costs for breaking legal contracts for the LC have also been included as well as an estimate for the any LC redundancies. The one off costs for demolition of the RC and breaking the RC lease have not been included the RC has not relinquished the lease.

The net loss for the running of the leisure centre has not been included and neither has the cost of waste collection for the Council for match days as the RC is no longer present. Costs for the RC maintenance, the trust receiver fee and other costs have been reduced by 50%, 70%, 70% respectively to reflect the Rugby club no longer being at the Rec.

There is no income from LC parking. Income from the RC second lease and the RC parking income has been removed. The rugby club first and second lease income remains as does the other income (eg Croquet & Drama club).

#### *Option 2a RC vacates and sells lease, LC stays*

There are no one off costs relating to the LC as it is staying under this option. The only one off costs relate to the RC and are for Breaking the lease on the rugby ground, demolishing the stand and buildings at the RC and any legal costs from breaking RC contracts.

## Assumptions within Financial Model

The net loss for the running of the leisure centre has been included but the cost of waste collection for the Council for match days as the RC is no longer present. Costs for the RC maintenance, the trust receiver fee and other costs have been reduced by 50%, 70%, 70% respectively to reflect the Rugby club no longer being at the Rec.

Income from leisure centre parking has been included in the model but all income relating the RC leases and parking income has been removed. Other existing income has been included as has an estimate for any potential income that could be generated by the Rec.

### *Option 2b RC vacates and does not sell lease, LC stays*

There are no one off costs associated with this option with the exception of the potential cost of buying the LC site to provide certainty which needs to be explored in more detail.

The net loss for the running of the leisure centre has been included but the cost of waste collection for the Council for match days as the RC is no longer present. Costs for the RC maintenance, the trust receiver fee and other costs have been reduced by 50%, 70%, 70% respectively to reflect the Rugby club no longer being at the Rec.

Income from the LC parking remains. Income from the RC second lease and the RC parking income has been removed. The rugby club first and second lease income remains as does the other income (eg Croquet & Drama club).

### *Option 2c RC stays and LC vacates*

All one off costs for the vacation of the LC remain ie demolition provision of a new location, redundancies and costs from breaking contracts.

The LC operating costs are removed and the RC maintenance costs, trust receiver fee and cost of waste collection remain at 100% level due to the RC staying.

The LC parking income is removed as in the conference facility income and any additional income that could be generated by the rec. Other income (croquet etc) remains as does the RC parking income. Income from the RC leases remains and has been increased by 100% to reflect a renegotiation of the lease for the RC footprint.

### *Option 2d RC & LC stay*

There are three potential one off costs associated with this option that need to be explored. These are the cost of buying the RC land from the trust, the legal cost of buying the LC from the trust and the cost of buying the LC from the trust.

The annual costs are to the council for the running of the LC and for match day waste and property damage (inflated to 125% to reflect expansion of the RC) and to the trust for the RC maintenance, trust receiver fee and other associated costs. Ongoing income in for the LC parking, RC leases (inflated to 200% for new footprint), RC parking and other income (eg Croquet club).

## Assumptions within Financial Model

### *Option 3a Redevelopment*

The fundamental redevelopment of the Recreation Ground is likely to involve a minimum of the rugby club and the leisure centre. It may also involve the redevelopment of the Pavilion site (which is outside the boundary of the Recreation Ground).

There would be large financial implications involved in the redevelopment of the Recreation Ground. The implications will largely impact on the private sector developer.

The Council may gain a receipt for the sale of the Pavilion (a purely indicative figure of £1000000 has been inserted) whilst the Trust will either gain a receipt for the land sale or the operator of the redeveloped site will need to pay a lease charge. The Trust is likely to lose the all the income relating to the rugby Club. The financial model assumes that a lease charge of £100,000 is received.

Under this scenario, it is assumed that the Council will continue to make a loss on the operation of the Leisure Centre.

The key financial assumptions are set out below:

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## Assumptions within Financial Model

### Financial Assumptions

Model Assumptions	To whom	Cost	Comment
<b>One off costs</b>			
Breaking the lease on rugby ground	Trust	-1000000	Estimate
Demolishing stand and buildings at Rugby club	Trust	-192500	See calculation
Demolishing LC	Council	-61750	See calculation
Building a new LC	Council	-6780000	Based on EY cost database
Any legal costs from breaking contracts (rugby related)	Trust	-10000	Estimate
Any 3rd party contracts broken (LC related)	Trust	-10000	Estimate
LC redundancies	Council	-20000	Estimate
Legal cost of buying LC from the trust	Council	-10000	Estimate
Cost of purchasing LC from trust	Council	-750000	Estimate
Potential receipt from sale of pavilion land	Council	1000000	Estimate
<b>Ongoing Costs</b>			
LC operating / maintenance costs	Council	-237000	As per LC 2005/6 loss
RC maintenance costs	Trust	-51000	As per 2004/5 trust accounts
Trust receiver fee	Trust	-44500	As per 2004/5 trust accounts
Other costs	Trust	-47000	As per 2004/5 trust accounts
Cost of waste collection & public property management on match days	Council	-20000	Estimate for council
<b>Ongoing Income</b>			
Leisure centre parking	Council	114000	As per 2005/6 income
LC income	Council	-237000	As per LC 2005/6 loss
Rugby club - main lease	Trust	6500	As per info provided
Rugby club - second lease	Trust	59000	As per info provided
Rugby club - third lease	Trust	2600	As per info provided
RC parking income	Trust	12000	As per info provided
Conference facilities provided by RC	Trust	15000	Estimate of conference facility savings
Any additional income from Rec	Trust	18000	As per 2004/5 accounts
Ability to gain additional income	Trust	20000	Estimate
Lease income from developer	Trust	100000	Estimate
<b>Other assumptions</b>			
Cost & income increases	All	2.50%	In line with inflation
Note we assume that the 2004/5 figures relating to agents / VAT and legal fees are not recurring			

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## Financial Model

The full financial model is set out in Appendix 1. The model has been prepared to set out the one off costs and the ongoing cost/revenue results arising from each scenario. In each case the costs/revenues have been separately identified for the Council and the Trust.

With each option there is a capital cost and revenue costs associated with the scheme. The outcomes will result in a direct impact upon B&NES Council Tax position or an impact on the delivery of services by the Council since there are no alternative funding options available.

This section simply provides the summary position for each scenario taken from the outcomes of the financial model in Appendix 1.

### Option 1 – Reversion to Minimal Impact Use

#### *Option 1a Rugby club and Leisure Centre vacate (RC relinquishes the Lease)*

Under this option the Trust incurs the cost of breaking the Rugby Club lease whilst the Council constructs a new Leisure Centre.

After demolition of the rugby ground and the leisure centre, the trust has reduced operating costs but little income. The Trust will also need to meet the cost of ground maintenance currently met by the Rugby Club. The Trust makes an annual loss which is estimated at £50,000 per annum.

	B&NES Position £000s	Trust Position £000s
One Off Costs	(6,862)	(2,203)
(Cost) / Revenue Position:		
07/08		(48)
08/09		(49)
09/10		(50)
10/11		(51)
11/12		(52)

## Financial Model

### *Option 1b RC and LC vacate (RC refuses to relinquish lease)*

If the rugby club does not sell the lease, the Trust will avoid the one off costs of purchasing the site and will gain the small lease contribution for the main rugby club lease. Under this scenario, however, the Rugby Club will continue to meet their share of ground maintenance but the Council will have less opportunity to use the Recreation Ground for other events. Overall it is assumed that a reduced annual loss will be incurred.

The Council still incurs the cost of building a new leisure centre.

	B&NES Position £000s	Trust Position £000s
One Off Costs	(6,862)	(1,000)
(Cost) / Revenue Position:		
07/08		36
08/09		37
09/10		38
10/11		39
11/12		40

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## Financial Model

### Option 2 – Variations to the Current Use

#### *Option 2a RC vacates and sells lease, LC stays*

Under this scenario the Council buys the leisure centre and the Trust benefits from the land receipt. At the same time, however, the Trust will acquire the leases from the Rugby Club.

With no rugby played at the Recreation Ground the Trust makes a loss on operating the site (as with option 1a). The Council continues to operate the leisure centre and incurs a loss only partially offset by parking receipts.

	B&NES Position £000s	Trust Position £000s
One Off Costs	(760)	(453)
(Cost) / Revenue Position:		
07/08	(123)	(38)
08/09	(126)	(38)
09/10	(129)	(39)
10/11	(132)	(40)
11/12	(136)	(41)

#### *Option 2b RC vacates and does not sell lease, LC stays*

Under this scenario the Trust is the beneficiary of the one off receipt from the leisure centre whilst this cost (plus legal costs) is incurred by the Council.

The Trust incurs a loss in running the Recreation Ground (as in 1b) whilst the Council continues to incur the losses of the leisure centre.

	B&NES Position £000s	Trust Position £000s
One Off (Costs) / Revenue	(760)	+750
(Cost) / Revenue Position:		
07/08	(123)	(26)
08/09	(126)	(27)
09/10	(129)	(28)
10/11	(132)	(28)
11/12	(136)	(29)

## Financial Model

### *Option 2c RC stays and LC vacates*

Under this scenario, the Council must relocate the leisure centre and the Trust has a small amount set aside to cover any 3<sup>rd</sup> party contracts broken in respect of the leisure centre.

It is assumed that the continued operation of the Rugby Club allows the Trust run a small surplus whilst the Council suffers the cost associated with rugby matches.

	B&NES Position £000s	Trust Position £000s
One Off Costs	(6,862)	(1000)
(Cost) / Revenue Position:		
07/08	(25)	12
08/09	(26)	13
09/10	(26)	13
10/11	(27)	13
11/12	(28)	14

### *Option 2d RC & LC stay*

Under this scenario the Council buys the leisure centre off the Trust. The Trust continues to make a small surplus as a result of the rugby club income whilst the Council continues to run the leisure centre and incur the losses associated with this activity.

	B&NES Position £000s	Trust Position £000s
One Off (Costs)/Revenue	(760)	750
(Cost) / Revenue Position:		
07/08	(148)	22
08/09	(152)	23
09/10	(155)	24
10/11	(159)	24
11/12	(163)	25

## Financial Model

### Option 3 – Significant Change

#### *Option 3a Redevelopment*

Under the redevelopment scenario it is assumed that the Council gains a large receipt from the sale of the Pavilion (the figure inserted is entirely indicative) and the Trust gains a strong revenue stream from the lease on taken by the redevelopment. The Council is assumed to continue to incur the losses of running a leisure centre (albeit with no lease costs) and is also affected by the loss of the leisure centre parking revenue.

	B&NES Position £000s	Trust Position £000s
One Off Costs	(1,000)	-
(Cost) / Revenue Position:		
07/08	(237)	22
08/09	(243)	23
09/10	(249)	24
10/11	(255)	25
11/12	(262)	25

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## Deliverability

In addition to considering the financial aspects of the scenarios, it is important to identify some of the key aspects involved in the deliverability of the various options being considered for the Recreation Ground. The perfect theoretical development solution is no use if the final scheme is unlikely to be deliverable.

There are some important development issues to consider with each of the three main options. These issues relate to the risks, timing issues and costs of each option resulting in their overall deliverability. These issues are summarised in the table below before being examined in detail in the paragraphs below:

	Option 1	Option 2	Option 3
	Reversion to minimal impact use	Variations to Current Use	Significant Change
Cost	The costs of delivery relate mainly to the purchase of the Rugby Club lease interests and the demolition of the Leisure Centre (and potential re-provision)	The costs of delivery will mainly fall upon the Rugby Club.	The costs of delivery will fall mainly upon any developer.
Risk	There is a risk that the Rugby Club would not relinquish their leasehold interests.	The main risk is that the Charity Commission frustrates the intention of the Rugby Club to expand its footprint of land. Risks also include gaining planning consent.	As with option 2 there is a risk associated with the Charity Commission and planning consent.  There is also a risk associated with land assembly, occupier negotiations and funding.
Timescale	If the Rugby Club does not relinquish its leasehold interests 'minimal impact use' cannot be achieved for a further 63 years.	It is anticipated that any development could commence circa 2 years after Charity Commission consent.  A decision by the Charity Commission which is delayed beyond the end of the 2006/07 season will place significant risk on the future of	It is anticipated that the added complexity of the scheme could increase timescales by a further 12 months.

## Deliverability

		Premiership Rugby at the Recreation Ground.	
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### Option 1 – Reversion to Minimal Impact Use

Under any proposed plan to revert the Recreation Ground to minimal impact use, it is possible that the citizens of Bath and the surrounding area, would lose access to Council sport and leisure facilities in the City Centre through the closure of the Leisure Centre. It cannot be assumed that the provision would simply be relocated since this is likely to be regarded as a large discretionary capital cost by the Council and also because there is unlikely to be any suitable site for relocation. There is certainly no site identified within the City Area in the Local Plan. The City of Bath has very little available space for future development. Land that is available has generally had a use identified and this has been examined in detail as part of the work on the Bath Vision.

The plan to allow the Recreation Ground to revert to minimal impact use would not automatically result in the demolition of the Rugby Club buildings. It is possible that even if there is an intention to allow the Recreation Ground to revert back to minimal impact use and the lease on the land for the temporary stand is not extended, the Rugby Club will maintain its lease for a further 63 years on the majority of the site. The Rugby Club may choose not to relinquish its leases and as a result the site would remain in its current condition. The Rugby Club could also continue to use the ground for training or reserve / youth games.

If the Rugby Club does relinquish its leases, and the Trust seeks to return the Recreation Ground to minimal impact use, the Trust will be faced with the cost of demolition of the Rugby Club structures. It is unlikely that the Trust will be able to secure the funds to undertake such work. As a result the rugby stands could remain.

If the Recreation Ground is to revert to minimal impact use, it would be necessary to consider the position of the remaining users on site such as the croquet and tennis facilities. It is unclear whether these clubs would be allowed to remain beyond the terms of their leases. Certainly, if these clubs were to meet some realistic share of the costs of the Recreation Ground amenity without the benefit of a contribution from the Rugby Club, future lease costs would be increased tremendously. Without an increased contribution from remaining users however, the viability of the Trust would be in doubt.

### Option 2 – Variations to the Current Use

The deliverability of this option is entirely dependent on the nature of the variations required.

The current assumption is that a variation may involve the acceptance of a new lease for the Rugby Club which would incorporate the current leased area plus a small extension. This would allow the club to remain on the Recreation Ground on a similar footprint whilst developing a more modern facility. In addition, the Leisure Centre could be refurbished over time.

Such a proposal would be relatively straightforward in delivery terms for the Rugby Club but only if the Charity Commission allowed the changes in the Rugby Club lease. One issue is that from discussions with the Charity Commission, it possible that for a new lease to be granted the

### Deliverability

stadium could be owned by a greatly enhanced and formalised charitable arm of Bath Rugby Club and leased to the professional club. The Charity Commission appears to have some concerns that the final occupiers should not be granted a lease on Trust land for commercial gain and where they do so they should pay fair value for any lease.

Once this issue is resolved and the ability to offer a lease is certain, the redevelopment could be taken forward by the Rugby Club although any alterations would still remain subject to the detailed planning process which would include a number of considerations such as a traffic impact study on the increased capacity of the Ground. Under this scenario, however, the back-to-back release of the existing Rugby Club leases and signature of the new leases would not need to be subject to planning permission or other approvals. Planning permission and other approvals could be sought by the Rugby Club after the lease was granted if they chose to do so. The agreement would also allow the continuation of professional rugby played at the Recreation Ground.

Under this scenario, the Trust could set out a number of requirements linked to the extension of the lease. These could include items such as the scale of the final development and the timescale during which development must take place. This would ensure that the scheme was taken forward and improvements were delivered in a reasonable time period.

A reasonable timetable for commencing redevelopment from a positive decision from the Charity Commission would be expected to take a minimum of 2 years. This would involve some survey work, the creation of detailed plans, stakeholder consultation, the formal planning process, contractor negotiation and contractor mobilisation. A further year could be added to the timescale if the planning application was called in by GO-SW.

Under this scenario which involves variations to current use, it is likely that the Council would be permitted to buy the leisure centre and redevelop / refurbish the facility over time subject to budget constraints and planning permission. The other occupiers of the Recreation Ground would be unlikely to be affected by the variations sought.

#### Option 3 – Significant Change

The deliverability of this option is entirely dependent on the nature of the significant change intended.

The current assumption is that the significant change would be based on a redevelopment of the leisure centre and the Rugby Club. This could involve displacement of the 'Pavilion', demolition of the existing leisure centre and Rugby Club with the creation of a completely new facility. Under some suggested proposals this would involve a shift in the location of the Rugby Club to the southern edge of the site.

This scenario would be rather more difficult to execute. Bath Rugby Club (and potentially the leisure centre) would need to have absolute certainty on the deliverability of the proposed scheme before they would be prepared to relinquish their existing leases. Any developer would need to demonstrate that land assembly, funding, planning consents and a satisfactory commercial leasing arrangement for any lease taken by the Rugby Club and leisure centre were all in place. Without this the developer would be unlikely to secure any release of the existing Rugby Club leases and Council land. The existing Rugby Club leases would need to be released because of the need to redevelop on part of the land currently leased by the Rugby Club.

The delivery issues remain significant:

### Deliverability

- § Land assembly is always difficult to execute and will require all the landowners to agree terms and then complete the transaction simultaneously. Close to execution of the deal there is always the possibility of one owner playing brinkmanship over value.
- § It is likely that the developer and final operator will be a private limited or public company. This will not therefore help the Charity Commission issue of the use of Trust land for the commercial benefit of a company. The Trust could be the final operator of a scheme but it is unclear how the Trust would be in a position to fund the overall development.
- § The funding requirement for any venture would be substantial and it is unclear how the funding could be raised. Any ownership and operation structure would need to address the significant state aid issues which limit how public subsidy can be used to subsidise private companies.
- § A commercial scheme may need to include uses for which the current planning status of the site would prohibit (some retail, hotel or leisure) which the current planning status of the site would prohibit but which would be required to ensure the financial viability of the venture.

In addition to the difficulties in providing the level of assurance which would be required, Bath Rugby Club would also need to relocate to an alternative venue for the period of construction. There are no alternative options identified.

The timescales involved in executing such a deal could involve many months of detailed work and would certainly extend beyond the end of the current short term tenancy held by the Rugby Club which expires at the end of 2006/07 season. As a result, the Rugby Club would need to find a temporary solution to their current lease issues whilst such a scenario was being discussed. Whilst a large amount of work could be undertaken in parallel, business planning, funding negotiation and land assembly could be reasonably expected to add a further year to the timescales outlined in Option 2.

It is far from clear how such a scheme could be funded and the contribution of the public sector into an ostensibly private sector scheme would need to address the issue of State Aid. A purely commercial scheme is also unlikely to satisfy the Charity Commission. Alternatively, a scheme owned and operated by the Council or the Trust would be unlikely to attract private sector funding.

## Conclusions

The appraisal work for the Future of the Bath Recreation Ground has identified three main options which have been tested through a public consultation exercise. These options are:

1. Reversion to minimal impact use
2. Variations to current use
3. Significant change

In terms of financial outcomes and the delivery of the schemes our conclusions are set out below:

### *1. Reversion to minimal impact use*

Under this scenario it is likely that the Rugby Club will remain on the Recreation Ground but may be forced to play Premiership Rugby elsewhere. This is because the Rugby Club has a valid lease covering most of their ground which the Trust is unlikely to have the funds to acquire.

At the same time the Council will be forced to relocate the leisure centre and even if the Council can find the funds for a replacement, it is unlikely that the provision will remain in the centre of Bath as there are no identified alternative sites.

Going forward the Trust is then projected to make continued annual losses in excess of £15,000.

### *2. Variations to current use*

This scenario is a variation on the status quo and any redevelopment work undertaken by the Rugby Club and the leisure centre could be programmed without an immediate deadline but only assuming that the Charity Commission approve the granting of a new lease.

It is assumed that the Trust will sell the leisure centre to the Council and in the future both the rugby ground and leisure centre will be improved.

The Trust will be able to make a small annual surplus from the income generated from the Rugby Club and will therefore remain self-supporting.

### *3. Redevelopment*

There are a large number of uncertainties associated with any redevelopment. These uncertainties relating to the view of the Charity Commission, land assembly, capital funding, on-going viability, planning consent and lease agreement with potential occupiers could not be resolved within the time available before the Rugby Club must leave the recreation Ground.

### *Overall Conclusion*

The reversion of the Recreation Ground to minimal impact use may not be achievable in the immediate term and the one off costs are prohibitive. The Trust would then continue to incur losses and would need external financial support.

## Conclusions

The redevelopment option has too many areas of uncertainty to be delivered within the timetable available or to be properly assessed.

Only the variation to the current use provides any certainty of delivery. It also ensures that the Trust remains financially self supporting. The only obstacle to this option progressing is the permissions required from the Charity Commission.

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# Detailed Financial Model

## Option 1a) RC & LC VACATE

Costs	One off costs		2007/08		TOTAL	2008/09		TOTAL	2009/10		TOTAL	2010/11		TOTAL	2011/12		TOTAL	
	Council	Trust	Council	Trust		Council	Trust		Council	Trust		Council	Trust		Council	Trust		
<b>Costs</b>																		
<b>One off costs</b>																		
Breaking the lease on rugby ground		(1,000,000)			-													
Demolishing stand and buildings at Rugby club		(192,500)			-													
Demolishing LC	(61,750)				-													
Building a new LC	(6,780,000)				-													
Any legal costs from breaking contracts		(10,000)			-													
Any 3rd party contracts broken		(1,000,000)			-													
LC redundancies	(20,000)				-													
Legal of buying LC from the trust					-													
Cost of purchasing LC from trust					-													
Potential receipt from sale of pavilion land					-													
<b>Ongoing Costs</b>																		
LC operating / maintenance costs			-		-			-		-		-		-		-		-
RC maintenance costs				(25,500)	(25,500)			(26,138)	(26,138)			(26,791)	(26,791)		(27,461)	(27,461)		(28,147)
Trust receiver fee				(13,350)	(13,350)			(13,684)	(13,684)			(14,026)	(14,026)		(14,376)	(14,376)		(14,736)
Other costs				(14,100)	(14,100)			(14,453)	(14,453)			(14,814)	(14,814)		(15,184)	(15,184)		(15,564)
Cost of waste collection					-													
Cost of rugby ground maintenance (currently paid by rugby club)				(22,600)	(22,600)			(23,165)	(23,165)			(23,744)	(23,744)		(24,338)	(24,338)		(24,946)
Cost of leisure centre ground maintenance if Leisure Centre removed				(10,000)	(10,000)			(10,250)	(10,250)			(10,506)	(10,506)		(10,769)	(10,769)		(11,038)
<b>Ongoing Income</b>																		
LC Parking					-			-		-		-		-		-		-
Rugby club - main lease					-			-		-		-		-		-		-
Rugby club - second lease					-			-		-		-		-		-		-
Rugby club - third lease					-			-		-		-		-		-		-
RC parking income					-			-		-		-		-		-		-
Lost conference facilities provided by RC					-			-		-		-		-		-		-
Other income				18,000	18,000			18,450	18,450			18,911	18,911		19,384	19,384		19,869
Any additional income from Rec				20,000	20,000			20,500	20,500			21,013	21,013		21,538	21,538		22,076
<b>TOTAL Yearly Income / Expense</b>	<b>(6,861,750)</b>	<b>(2,202,500)</b>		<b>(47,550)</b>	<b>(47,550)</b>			<b>(48,739)</b>	<b>(48,739)</b>			<b>(49,957)</b>	<b>(49,957)</b>		<b>(51,206)</b>	<b>(51,206)</b>		<b>(52,486)</b>

Assumptions			
Reduction in RC maintenance costs			50%
Reduction in receiver fee			70%
Reduction in other costs			70%

## Detailed Financial Model

### Option 1b) RC & LC VACATE BUT RC WONT RELINQUISH LEASE

Costs	One off costs		2007/08		TOTAL	2008/09		TOTAL	2009/10		TOTAL	2010/11		TOTAL	2011/12		TOTAL
	Council	Trust	Council	Trust													
<b>Costs</b>																	
<b>One off costs</b>																	
Breaking the lease on rugby ground	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Demolishing stand and buildings at Rugby club	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Demolishing LC	(61,750)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Building a new LC	(6,780,000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Any legal costs from breaking contracts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Any 3rd party contracts broken	-	(1,000,000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
LC redundancies	(20,000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Legal of buying LC from the trust	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cost of purchasing LC from trust	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Potential receipt from sale of pavilion land	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Ongoing Costs</b>																	
LC operating / maintenance costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
RC maintenance costs	-	(25,500)	(25,500)	-	(26,138)	(26,138)	-	(26,791)	(26,791)	-	(27,461)	(27,461)	-	(28,147)	(28,147)	-	(28,147)
Trust receiver fee	-	(13,350)	(13,350)	-	(13,684)	(13,684)	-	(14,026)	(14,026)	-	(14,376)	(14,376)	-	(14,736)	(14,736)	-	(14,736)
Other costs	-	(14,100)	(14,100)	-	(14,453)	(14,453)	-	(14,814)	(14,814)	-	(15,184)	(15,184)	-	(15,564)	(15,564)	-	(15,564)
Cost of waste collection	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cost of rugby ground maintenance (currently paid by rugby club)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cost of leisure centre ground maintenance if Leisure Centre removed	-	(10,000)	(10,000)	-	(10,250)	(10,250)	-	(10,506)	(10,506)	-	(10,769)	(10,769)	-	(11,038)	(11,038)	-	(11,038)
<b>Ongoing Income</b>																	
LC Parking	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rugby club - main lease	-	6,500	6,500	-	6,663	6,663	-	6,829	6,829	-	7,000	7,000	-	7,175	7,175	-	7,175
Rugby club - second lease	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rugby club - third lease	-	2,000	2,000	-	2,050	2,050	-	2,101	2,101	-	2,154	2,154	-	2,208	2,208	-	2,208
RC parking income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Lost conference facilities provided by RC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other income	-	18,000	18,000	-	18,450	18,450	-	18,911	18,911	-	19,384	19,384	-	19,869	19,869	-	19,869
Any additional income from Rec	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL Yearly Income / Expense</b>	<b>(6,861,750)</b>	<b>(1,000,000)</b>	<b>-</b>	<b>(36,450)</b>	<b>(36,450)</b>	<b>-</b>	<b>(37,361)</b>	<b>(37,361)</b>	<b>-</b>	<b>(38,295)</b>	<b>(38,295)</b>	<b>-</b>	<b>(39,253)</b>	<b>(39,253)</b>	<b>-</b>	<b>(40,234)</b>	<b>(40,234)</b>

Assumptions			
Reduction in RC maintenance costs			50%
Reduction in receiver fee			70%
Reduction in other costs			70%

## Detailed Financial Model

### Option 2a) RC VACATES AND SELLS LEASE, LC STAYS

Costs	One off costs		2007/08		TOTAL	2008/09		TOTAL	2009/10		TOTAL	2010/11		TOTAL	2011/12		TOTAL
	Council	Trust	Council	Trust													
<b>Costs</b>																	
<b>One off costs</b>																	
Breaking the lease on rugby ground		(1,000,000)			-												
Demolishing stand and buildings at Rugby club		(192,500)			-												
Demolishing LC					-												
Potential cost of buying LC site to provide certainty					-												
Building a new LC					-												
Any legal costs from breaking contracts		(10,000)			-												
Any 3rd party contracts broken					-												
LC redundancies					-												
Legal of buying LC from the trust	(10,000)				-												
Cost of purchasing LC from trust	(750,000)	750,000			-												
Potential receipt from sale of pavilion land					-												
<b>Ongoing Costs</b>																	
LC operating / maintenance costs			(237,000)		(237,000)	(242,925)	-	(242,925)	(248,998)	-	(248,998)	(255,223)	-	(255,223)	(261,604)	-	(261,604)
RC maintenance costs			(25,500)	(25,500)	(25,500)	-	(26,138)	(26,138)	(26,791)	(26,791)	(26,791)	-	(27,461)	(27,461)	-	(28,147)	(28,147)
Trust receiver fee			(13,350)	(13,350)	(13,350)	-	(13,684)	(13,684)	-	(14,026)	(14,026)	-	(14,376)	(14,376)	-	(14,736)	(14,736)
Other costs			(14,100)	(14,100)	(14,100)	-	(14,453)	(14,453)	-	(14,814)	(14,814)	-	(15,184)	(15,184)	-	(15,564)	(15,564)
Cost of waste collection					-												
Cost of rugby ground maintenance (currently paid by rugby club)			(22,600)	(22,600)	(22,600)	(23,165)	(23,165)	(23,165)	(23,744)	(23,744)	(23,744)	(24,338)	(24,338)	(24,338)	(24,946)	(24,946)	
Cost of leisure centre ground maintenance if Leisure Centre removed					-												
<b>Ongoing Income</b>																	
LC Parking			114,000		114,000	116,850	-	116,850	119,771	-	119,771	122,766	-	122,766	125,835	-	125,835
Rugby club - main lease					-												
Rugby club - second lease					-												
Rugby club - third lease					-												
RC parking income					-												
Lost conference facilities provided by RC					-												
Other income			18,000	18,000	18,000	18,450	18,450	18,450	18,911	18,911	18,911	19,384	19,384	19,384	19,869	19,869	
Any additional income from Rec			20,000	20,000	20,000	-	20,500	20,500	-	21,013	21,013	-	21,538	21,538	-	22,076	22,076
<b>TOTAL Yearly Income / Expense</b>	<b>(760,000)</b>	<b>(452,500)</b>	<b>(123,000)</b>	<b>(37,550)</b>	<b>(160,550)</b>	<b>(126,075)</b>	<b>(38,489)</b>	<b>(164,564)</b>	<b>(129,227)</b>	<b>(39,451)</b>	<b>(168,678)</b>	<b>(132,458)</b>	<b>(40,437)</b>	<b>(172,895)</b>	<b>(135,769)</b>	<b>(41,448)</b>	<b>(177,217)</b>

Assumptions			
Reduction in RC maintenance costs			50%
Reduction in receiver fee			70%
Reduction in other costs			70%

## Detailed Financial Model

### Option 2b) RC VACATES AND DOES NOT SELL LEASE, LC STAYS

Costs	One off costs		2007/08		TOTAL	2008/09		TOTAL	2009/10		TOTAL	2010/11		TOTAL	2011/12		TOTAL
	Council	Trust	Council	Trust													
<b>Costs</b>																	
<b>One off costs</b>																	
Breaking the lease on rugby ground					-	-											
Demolishing stand and buildings at Rugby club					-	-											
Demolishing LC					-	-											
Potential cost of buying LC site to provide certainty					-	-											
Building a new LC					-	-											
Any legal costs from breaking contracts					-	-											
Any 3rd party contracts broken					-	-											
LC redundancies					-	-											
Legal of buying LC from the trust	(10,000)																
Cost of purchasing LC from trust	(750,000)	750,000															
Potential receipt from sale of pavilion land					-	-											
<b>Ongoing Costs</b>																	
LC operating / maintenance costs			(237,000)		(237,000)	(242,925)	-	(242,925)	(248,998)	-	(248,998)	(255,223)	-	(255,223)	(261,604)	-	(261,604)
RC maintenance costs				(25,500)	(25,500)	-	(26,138)	(26,138)	-	(26,791)	(26,791)	-	(27,461)	(27,461)	-	(28,147)	(28,147)
Trust receiver fee				(13,350)	(13,350)	-	(13,684)	(13,684)	-	(14,026)	(14,026)	-	(14,376)	(14,376)	-	(14,736)	(14,736)
Other costs				(14,100)	(14,100)	-	(14,453)	(14,453)	-	(14,814)	(14,814)	-	(15,184)	(15,184)	-	(15,564)	(15,564)
Cost of waste collection																	
Cost of rugby ground maintenance (currently paid by rugby club)																	
Cost of leisure centre ground maintenance if Leisure Centre removed																	
<b>Ongoing Income</b>																	
LC Parking			114,000		114,000	116,850	-	116,850	119,771	-	119,771	122,766	-	122,766	125,835	-	125,835
Rugby club - main lease				6,500	6,500	-	6,663	6,663	-	6,829	6,829	-	7,000	7,000	-	7,175	7,175
Rugby club - second lease																	
Rugby club - third lease				2,000	2,000	-	2,050	2,050	-	2,101	2,101	-	2,154	2,154	-	2,208	2,208
RC parking income																	
Lost conference facilities provided by RC																	
Other income				18,000	18,000	-	18,450	18,450	-	18,911	18,911	-	19,384	19,384	-	19,869	19,869
Any additional income from Rec																	
<b>TOTAL Yearly Income / Expense</b>	<b>(760,000)</b>	<b>750,000</b>	<b>(123,000)</b>	<b>(26,450)</b>	<b>(149,450)</b>	<b>(126,075)</b>	<b>(27,111)</b>	<b>(153,186)</b>	<b>(129,227)</b>	<b>(27,789)</b>	<b>(157,016)</b>	<b>(132,458)</b>	<b>(28,484)</b>	<b>(160,941)</b>	<b>(135,769)</b>	<b>(29,196)</b>	<b>(164,965)</b>

Assumptions			
Reduction in RC maintenance costs			50%
Reduction in receiver fee			70%
Reduction in other costs			70%

## Detailed Financial Model

### Option 2c) RC STAYS AND LC VACATES

Costs	One off costs		2007/08		TOTAL	2008/09		TOTAL	2009/10		TOTAL	2010/11		TOTAL	2011/12		TOTAL	
	Council	Trust	Council	Trust														
<b>Costs</b>																		
<b>One off costs</b>																		
Breaking the lease on rugby ground	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Demolishing stand and buildings at Rugby club	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Demolishing LC	(61,750)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Building a new LC	(6,780,000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Any legal costs from breaking contracts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Any 3rd party contracts broken	-	(1,000,000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
LC redundancies	(20,000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Legal of buying LC from the trust	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cost of purchasing LC from trust	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Potential receipt from sale of pavilion land	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Ongoing Costs</b>																		
LC operating / maintenance costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
RC maintenance costs	-	-	-	(51,000)	(51,000)	-	(52,275)	(52,275)	-	(53,582)	(53,582)	-	(54,921)	(54,921)	-	(56,294)	(56,294)	-
Trust receiver fee	-	-	(44,500)	(44,500)	(44,500)	-	(45,613)	(45,613)	-	(46,753)	(46,753)	-	(47,922)	(47,922)	-	(49,120)	(49,120)	-
Other costs	-	-	(47,000)	(47,000)	(47,000)	-	(48,175)	(48,175)	-	(49,379)	(49,379)	-	(50,614)	(50,614)	-	(51,879)	(51,879)	-
Cost of waste collection	-	-	(25,000)	-	(25,000)	(25,625)	-	(25,625)	(26,266)	-	(26,266)	(26,922)	-	(26,922)	(27,595)	-	(27,595)	-
Cost of rugby ground maintenance (currently paid by rugby club)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cost of leisure centre ground maintenance if Leisure Centre removed	-	-	(10,000)	-	(10,000)	(10,250)	-	(10,250)	(10,506)	-	(10,506)	(10,769)	-	(10,769)	(11,038)	-	(11,038)	-
<b>Ongoing Income</b>																		
LC Parking	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rugby club - main lease	-	-	13,000	-	13,000	-	13,325	13,325	-	13,658	13,658	-	14,000	14,000	-	14,350	14,350	-
Rugby club - second lease	-	-	118,000	-	118,000	-	120,950	120,950	-	123,974	123,974	-	127,073	127,073	-	130,250	130,250	-
Rugby club - third lease	-	-	4,000	-	4,000	-	4,100	4,100	-	4,203	4,203	-	4,308	4,308	-	4,415	4,415	-
RC parking income	-	-	12,000	-	12,000	-	12,300	12,300	-	12,608	12,608	-	12,923	12,923	-	13,246	13,246	-
Lost conference facilities provided by RC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other income	-	-	18,000	-	18,000	-	18,450	18,450	-	18,911	18,911	-	19,384	19,384	-	19,869	19,869	-
Any additional income from Rec	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL Yearly Income / Expense</b>	<b>(6,861,750)</b>	<b>(1,000,000)</b>	<b>(25,000)</b>	<b>12,500</b>	<b>(12,500)</b>	<b>(25,625)</b>	<b>12,813</b>	<b>(12,813)</b>	<b>(26,266)</b>	<b>13,133</b>	<b>(13,133)</b>	<b>(26,922)</b>	<b>13,461</b>	<b>(13,461)</b>	<b>(27,595)</b>	<b>13,798</b>	<b>(13,798)</b>	

Assumptions			
Increase Main Lease			200%
Increase Second Lease			200%
Increase Third Lease			200%
Increase in matchday costs			125%

## Detailed Financial Model

### Option 2d) RC & LC STAY

Costs	One off costs		2007/08		TOTAL	2008/09		TOTAL	2009/10		TOTAL	2010/11		TOTAL	2011/12		TOTAL	
	Council	Trust	Council	Trust														
<b>Costs</b>																		
<b>One off costs</b>																		
Breaking the lease on rugby ground			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Demolishing stand and buildings at Rugby club			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Demolishing LC			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Building a new LC			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Any legal costs from breaking contracts			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Any 3rd party contracts broken			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
LC redundancies			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cost of buying RC land from trust			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Legal of buying LC from the trust			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cost of purchasing LC from trust			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Legal of buying LC from the trust	(10,000)	750,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cost of purchasing LC from trust	(750,000)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Potential receipt from sale of pavilion land			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Ongoing Costs</b>																		
LC operating / maintenance costs			(237,000)	-	(237,000)	(242,925)	-	(242,925)	(248,998)	-	(248,998)	(255,223)	-	(255,223)	(261,604)	-	(261,604)	-
RC maintenance costs			-	(51,000)	(51,000)	-	(52,275)	(52,275)	-	(53,582)	(53,582)	-	(54,921)	(54,921)	-	(56,294)	(56,294)	-
Trust receiver fee			-	(44,500)	(44,500)	-	(45,613)	(45,613)	-	(46,753)	(46,753)	-	(47,922)	(47,922)	-	(49,120)	(49,120)	-
Other costs			-	(47,000)	(47,000)	-	(48,175)	(48,175)	-	(49,379)	(49,379)	-	(50,614)	(50,614)	-	(51,879)	(51,879)	-
Cost of waste collection			(25,000)	-	(25,000)	(25,625)	-	(25,625)	(26,266)	-	(26,266)	(26,922)	-	(26,922)	(27,595)	-	(27,595)	-
Cost of rugby ground maintenance (currently paid by rugby club)			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cost of leisure centre ground maintenance if Leisure Centre removed			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Ongoing Income</b>																		
LC Parking			114,000	-	114,000	116,850	-	116,850	119,771	-	119,771	122,766	-	122,766	125,835	-	125,835	-
Rugby club - main lease			-	13,000	13,000	-	13,325	13,325	-	13,658	13,658	-	14,000	14,000	-	14,350	14,350	-
Rugby club - second lease			-	118,000	118,000	-	120,950	120,950	-	123,974	123,974	-	127,073	127,073	-	130,250	130,250	-
Rugby club - third lease			-	4,000	4,000	-	4,100	4,100	-	4,203	4,203	-	4,308	4,308	-	4,415	4,415	-
RC parking income			12,000	-	12,000	12,300	-	12,300	12,608	-	12,608	12,923	-	12,923	13,246	-	13,246	-
Lost conference facilities provided by RC			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other income			18,000	-	18,000	18,450	-	18,450	18,911	-	18,911	19,384	-	19,384	19,869	-	19,869	-
Any additional income from Rec			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL Yearly Income / Expense</b>	<b>(760,000)</b>	<b>750,000</b>	<b>(148,000)</b>	<b>22,500</b>	<b>(125,500)</b>	<b>(151,700)</b>	<b>23,063</b>	<b>(128,638)</b>	<b>(155,493)</b>	<b>23,639</b>	<b>(131,853)</b>	<b>(159,380)</b>	<b>24,230</b>	<b>(135,150)</b>	<b>(163,364)</b>	<b>24,836</b>	<b>(138,529)</b>	

Assumptions			
Increase Main Lease			200%
Increase Second Lease			200%
Increase Third Lease			200%
Increase in matchday costs			125%

## Detailed Financial Model

### Option 3) REDEVELOPMENT

Costs	One off costs		2007/08		TOTAL	2008/09		TOTAL	2009/10		TOTAL	2010/11		TOTAL	2011/12		TOTAL	
	Council	Trust	Council	Trust														
<b>Costs</b>																		
<b>One off costs</b>																		
Breaking the lease on rugby ground					-													
Demolishing stand and buildings at Rugby club					-													
Demolishing LC					-													
Building a new LC					-													
Any legal costs from breaking contracts					-													
Any 3rd party contracts broken					-													
LC redundancies					-													
Legal of buying LC from the trust					-													
Cost of purchasing LC from trust					-													
Potential receipt from sale of pavilion land	1000000				-													
<b>Ongoing Costs</b>																		
LC operating / maintenance costs			(237,000)		(237,000)	(242,925)	-	(242,925)	(248,998)	-	(248,998)	(255,223)	-	(255,223)	(261,604)	-	(261,604)	
RC maintenance costs																		
Trust receiver fee				(44,500)	(44,500)	-	(45,613)	(45,613)	-	(46,753)	(46,753)	-	(47,922)	(47,922)	-	(49,120)	(49,120)	
Other costs																		
Cost of waste collection																		
Cost of rugby ground maintenance (currently paid by rugby club)			(22,600)		(22,600)	(23,165)	(23,165)	(23,165)	(23,744)	(23,744)	(24,338)	(24,338)	(24,338)	(24,338)	(24,946)	(24,946)	(24,946)	
Cost of leisure centre ground maintenance if Leisure Centre removed			(10,000)		(10,000)	(10,250)	(10,250)	(10,250)	(10,506)	(10,506)	(10,769)	(10,769)	(10,769)	(10,769)	(11,038)	(11,038)	(11,038)	
<b>Ongoing Income</b>																		
LC Parking																		
Rugby club - main lease																		
Rugby club - second lease																		
Rugby club - third lease																		
RC parking income																		
Lost conference facilities provided by RC																		
Other income																		
Any additional income from Rec																		
Lease Income from developer				100,000	100,000		102,500	102,500		105,063	105,063		107,689	107,689		110,381	110,381	
<b>TOTAL Yearly Income / Expense</b>	<b>1,000,000</b>	<b>-</b>	<b>(237,000)</b>	<b>22,900</b>	<b>(214,100)</b>	<b>(242,925)</b>	<b>23,473</b>	<b>(219,453)</b>	<b>(248,998)</b>	<b>24,059</b>	<b>(224,939)</b>	<b>(255,223)</b>	<b>24,661</b>	<b>(230,562)</b>	<b>(261,604)</b>	<b>25,277</b>	<b>(236,326)</b>	

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