

<b>The Recreation Ground Trust, Bath</b>	
Meeting:	Recreation Ground Trustees
Date:	18 July 2013
Title:	<b>Advisors and support services</b>
Status:	An open public item
Appendices:	1. Service level agreements associated with the Trust's 2012/13 budget.

## **1. Purpose of report**

- 1.1 To report on the current arrangements for advisors and support services to the Trust so that trustees can consider future arrangements in the short and longer terms.

## **2. Current position**

- 2.1 The High Court decided in 2002 that the Recreation Ground is a charitable Trust, of which Bath and North East Somerset Council was then the sole trustee. The Council delegated the management of the Trust to a Board of three councillors. The scheme provides instead for a body of individual trustees and also constitutes the Council as the Custodian Trustee of the Trust, with the duty to hold legal title to the assets.
- 2.2 A senior officer has been designated as the lead advisor to the Trust. This was previously Glenn Chipp and is currently Andrew Pate. Other officers have been designated as particular specialist advisors.
- 2.3 The management of the Recreation Ground requires a wide range of professional, technical and operational support services. The largest of these is for grounds maintenance. These services have been mostly provided by the departments of the Council according to service level agreements. Appendix 1 shows the support services provided and the basis of their charges in 2012/13.
- 2.4 The engagement with the Charity Commission to resolve the breaches of the charitable trusts has required specific assistance. In this context, Francesca Quint has provided specialist legal advice and Tim Darsley has been engaged as Project Advisor since August 2012.

### **3. Future arrangements**

- 3.1 It is now for the new trustee body to decide how it wishes to secure the advice and support services that it needs to manage the Recreation Ground.
- 3.2 The way that it does this could range from wholly external commercial procurement to the re-negotiation of service provision from the Council, or a mixture of the two. A small number of professional services (such as audit, tax, insurance, and specialist legal and property services) will need to be externally provided. The objective would be to achieve the most cost effective arrangements that will best serve the interests of the Trust.

### **4. A staged approach**

- 4.1 A review of the Trust's requirements, followed by procurement in some form, will take some time to undertake. In the meantime, the Trust must continue to operate effectively and plan for its future. At the same time, the requirements of the Scheme, such as co-opting further trustees, agreeing the maintenance responsibilities of the Leisure Centre and resolving the issues arising from the lease to Bath Rugby, have to be addressed. There will also be a continuation of some strategic work, such as dealing with any appeal against the Scheme.
- 4.2 To enable the trustees to undertake a proper review of their requirements and to implement the outcome, it is suggested that the current arrangements for advisors and support services be continued for an interim period.
- 4.3 During this time, the existing advisors would work to and as directed by the trustees. Operational activity would continue within the context of the Trust's existing budget and commitments, unless otherwise directed.
- 4.4 If such an approach is acceptable, the trustees will need to establish a process for reviewing and securing their advisory and support service requirements, and set an accompanying timescale for the interim period.

### **5. Advice sought**

- 5.1 The Trust's legal advisor has reviewed this report and her comments upon it have been incorporated.

## **6. Recommendation**

6.1 It is recommended that:

- (i) The existing arrangements for advisors and support services be confirmed and continued for an interim period.
- (ii) A review of the advisory and support services required by the Trust be undertaken and proposals be prepared for the most cost effective way of securing those requirements.

Contact:	Tim Darsley, Recreation Ground Trust Project Advisor. Tel 01225 477221
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Appendix 1:

Recreation Ground Trust Service Level Agreements – 10<sup>th</sup> May 2005

SLA's totalling £106,717 based on 2012/13 Budgets as detailed below.

<u>Area of Work</u>	<u>Charge Base</u>	<u>Amount</u>
<b><u>1. Property Services SLA</u></b>		<b><u>£14,602</u></b>
<b><u>1.1 Management of Leases Properties – 2012/13 SLA Budget</u></b>		
Approval of tenants works.	Hourly Rate	
Assignments/sub letting.	Hourly Rate	
Breaches of covenant.	Hourly Rate	
Building Insurance.	Hourly Rate	
Change of use.	Hourly Rate	
Dilapidations.	Hourly Rate	
Minor lease variations.	Hourly Rate	
<b><u>1.2 Rent Reviews and Lease Renewals – 2012/13 Budget within £14,602</u></b>		
Lease renewal negotiations.	Fixed Fee	
Rent review negotiations.	Fixed Fee	
Surrender and regrants.	Hourly Rate	
Lease terminations.	Fixed Fee	
Reference to third parties.	Hourly Rate	
Property inspections.	Hourly Rate	
Rent accounting.	Hourly Rate	
Rent arrears.	Hourly Rate	
General property advice to clients.	Hourly Rate	
Insurance claims.	Hourly Rate	
Grants of minor rights (wayleaves/easements).	Fixed Fee	
Encroachments.	Hourly Rate	
General property management.	Hourly Rate	
Boundary/ownership disputes.	Hourly Rate	
<b><u>2. Repairs and Maintenance SLA</u></b>		<b><u>£13,789</u></b>
Programmed maintenance.	Cost plus 11% management charge	
Reactive maintenance.	Cost plus 11% management charge	

<b>3. Legal Services SLA</b>		<b>£5,000</b>
Property law.	Hourly Rate	
Preparation, negotiation and enforcement of charity's rights under leases, tenancy agreements, licences, deeds of easement, and any other form of agreement relating to land.	Hourly Rate	
Provide and procure, by arrangement with the trust, provision of advice relating to powers and duties of the trustee under charity law.	Hourly Rate	
<b>4. Financial Services SLA</b>		<b>£3,450</b>
Budget estimation/monitoring.	Hourly Rate	
Final accounts.	Hourly Rate	
Accounts audit.	Hourly Rate	
<b>5. Grounds Maintenance SLA</b>		<b>£53,076</b>
Provide labour, plant and materials for grounds maintenance services to the Recreation Ground.	Fixed Fee	
Works cover the rugby pitch, 4 croquet lawns, 5 lawn tennis courts.	Fixed Fee	
Works include grass cutting, lacrosse pitches and incidental areas around the perimeter of the site.	Fixed Fee	
<b>6. Leisure and Amenity Staff SLA</b>		<b>£13,000</b>
Grounds management.	Hourly Rate	
Event organization.	Hourly Rate	
Collect income for casual users.	Actual Income	
Payment of rates and utility bills.	Actual Cost	
Car Park use enforcement.	Fixed Fee	
General overheads and administration.	Hourly Rate	
<b>7. Administration</b>		<b>£3,800</b>
Committee reports.	Hourly Rate	
Trust Board/press enquiries.	Hourly Rate	
Appointment of consultants.	Hourly Rate	
General enquiries.	Hourly Rate	
Cost centre management.	Hourly Rate	
Records.	Hourly Rate	
Complaints.	Hourly Rate	
Processing payment/invoices.	Hourly Rate	
Communications with clients and other parties.	Hourly Rate	
Filing.	Hourly Rate	
General Committee support.	Fixed Fee per meeting	
<b>SLA Total</b>		<b>£106,717</b>