

# Report

**Report subject:** Lower Bemerton Recreation Ground Trust

**Report to:** City Area Committee (Community)

**Date:** Tuesday 22<sup>nd</sup> January 2008

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1. Introduction:

- 1.1. The Committee will be aware that the running costs associated with the management of Lower Bemerton recreation ground are met from the interest accrued from an invested trust fund.
- 1.2. The Trustees of the trust are the members of Salisbury District Council who are elected within the various City wards
- 1.3. Whilst the Trustees have the powers to make the day to day decisions regarding the site, the Charity Commission have the ultimate veto regarding any strategic decisions related to either the trust fund or the land
- 1.4. A request has recently been received from a group of Lower Bemerton residents seeking an in principle decision to allow part of the trust fund to be used toward financing the purchase of about 52 acres of meadow land in the village for use as a possible Nature Reserve. The balance of monies to be found would be subject to a successful bid to the Heritage Lottery Fund.

2. Background:

- 2.1. The Lower Bemerton trust fund was set up in the 1930's to secure the on going maintenance of the Lower Bemerton recreation ground. Over the years the investment has grown at a faster rate than was necessary to finance the maintenance and has therefore been able to fund some capital improvements as well - refurbished playarea, car park extension etc.
- 2.2. The meadow land in question was marketed during the Summer of 2007 but subsequently withdrawn. It is likely to be marketed again in the Spring of 2008. There is a growing group of local people who believe that this provides an opportunity to secure the use of this land for public use for the future, hence the approach to this Committee
- 2.3. An overview of the groups request with a small plan is attached as *appendix A*. It should be noted that the facts and figures used are from the group and in some cases do not totally align to the views of Officers.

3. Finance:

- 3.1. As at early December '07, the invested trust fund totalled £286,000. This is invested in 3 ways - via internal investments, Charifund and gilts.
- 3.2. Approximately £11,000 p/a nett is required from the trust fund annually to maintain the Lower Bemerton recreation ground at nil cost to the City Council Tax payer (2007/08). This figure allows for all grasscutting, playarea maintenance, trees, car park maintenance as well as all costs associated with the public conveniences etc.



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- 3.3. In order for interest accrued to meet this cost and allow for an amount over and above to balance out the effects of inflation, a return of around 5% minimum is required from the investment fund.
  - 3.4. The group are requesting that in principle a sum up to £75,000 be earmarked from the investment capital to form the base of a lottery bid.
  - 3.5. As a basic calculation and if approved, the investment will potentially reduce to around £211,000. A 5% return on this will accrue £10,550 p/a which is not quite sufficient to meet the running costs of the recreation ground and makes no allowance for inflation. This would in effect lead to the investment reducing year on year and the gap between interest accrued and running costs will widen.
  - 3.6. It will also be greatly exacerbated should the Committee ever wish to use the investment to fund further recreation ground improvements as have been done in the past.
  - 3.7. Of course this trend could easily be reversed if investment returns are higher than 5%.
4. The Project:
- 4.1. In principle this scheme appears to be extremely interesting and potentially of great public value, opening up access to a huge area of meadow land for visitors. As a rough idea, 52 acres is approximately the same size as Hudson's Field (inclusive of the Salisbury rugby club areas)
  - 4.2. Unlike the Harnham Water Meadows Trust land which has fairly restrictive public access, this area would be made fully accessible for walkers, education visits, environmental enhancements etc and become a very different type of public attraction to virtually anything else currently available within the City boundary. It would also compliment the Avon Valley country park area as well, providing an alternative type of environment on the opposite side of the City.
  - 4.3. Exciting as it may be, there are a number of quite significant hurdles to cross before this idea could be turned into reality:
    - 4.3.1 It is common knowledge that funding applications to the Heritage Lottery Fund are becoming increasingly difficult to secure as the 2012 Olympics impact hits home. Raising the total capital required is therefore likely to be far from straightforward.
    - 4.3.2 The question of who will actually own the land would have to be clear - in theory it could be SDC (or successor), the Wildlife Trust or some other form of properly constituted and accountable voluntary / public group.
    - 4.3.3 Future revenue requirements and who would be responsible for raising them need to be clear
    - 4.3.4 Planning issues, if applicable, will need to be resolved and may not be straightforward in such an ecologically sensitive area
5. The Fund / Trust Deed:
- 5.1. The land was gifted by deed to the former Salisbury City Council in 1932.
  - 5.2. The deed does not define the purposes to which any income generated from managing the land as a recreation ground might be allocated.
  - 5.3. There is nothing with the title deeds to explain how the Fund was established. However, the Fund is registered as a charity and the charity's objects is the recreation ground.
  - 5.4. The council as trustee must use any charitable funds reasonably and only in furtherance of the charity's objects.
  - 5.5. The subject matter of the Charity does *benefit* Bemerton, but the direct *beneficiary* (the object) of the Fund is the recreation ground itself. Accordingly, it appears questionable to use the Fund for purposes other than enhancing the recreation ground.
  - 5.6. If the proposal is accepted "in principle" it will be necessary to seek the Charity Commission's guidance and any requirements to be met in submitting the proposal for the Charity Commission's consent to the scheme before proceeding further.
  - 5.7. The Charity Commission could decide the project is not an activity which can be financed by means of the Fund.
6. Recommendations:
- 6.1. The Committee is requested to determine whether or not to support the principle of purchasing this meadow land for a nature reserve, and if so;
  - 6.2. Whether to approve the use of £75,000 (or some other figure as may be agreed) in principle from the Lower Bemerton trust fund toward the purchase costs, and if so:
  - 6.3. That a further report be brought to the Committee once more details are known later in 2008, especially as soon as any response or guidance from the Charity Commission is known.
7. Implications:
- 7.1. Financial: At this stage nil. However the committee should be aware of the potential financial requirements placed upon it in the future as outlined in the report
  - 7.2. Legal: As outlined in the report

- 7.3. Personnel: None at this stage
- 7.4. Community Safety: None at this stage
- 7.5. Environmental: This proposal will potentially safeguard a large area of meadow land for future generations and provide an additional and different area to visit.
- 7.6. Human Rights: None at this stage
- 7.7. Ward(s) Affected: Fisherton and Bemerton Village