

Trust and Charities Committee 28th November 2014

Title of paper:	Highfields Park Leisure Trust - Release of Additional Dowry Funds	
Director(s)/ Corporate Director(s):	John Kelly - Corporate Director of Communities Hugh White - Director of Sport Culture and Parks	Wards affected: Wollaton East & Lenton Abbey
Report author(s) and contact details:	Eddie Curry – Head of Parks and Open Spaces eddie.curry@nottinghamcity.gov.uk 0115 876 4982	
Other colleagues who have provided input:	Malcolm Townroe – Legal Services Manager – Malcolm.townroe@nottinghamcity.gov.uk 0115 876 4332 Steve Ross, Finance Analyst Steve.Ross@nottinghamcity.gov.uk 0115 876 3738	
Relevant Council Plan Strategic Priority:		
World Class Nottingham		X
Work in Nottingham		X
Safer Nottingham		X
Neighbourhood Nottingham		X
Family Nottingham		X
Healthy Nottingham		X
Leading Nottingham		
Summary of issues (including benefits to citizens/service users):		
This report seeks authority and support for the release of a further contribution of capital funding currently held within the Highfields Park Leisure Trusts accounts. The funding will be used to cover the additional costs of the project and be used to match a bid to the Heritage Lottery Fund, which if successful will be used to fully restore and improve the Grade II* listed park.		
This report also seeks delegated authority for Officers to formally enter into discussion and negotiations with the Charity Commission to formally approve the release of the additional funds and use the Charity’s assets to restore the Grade II* listed park.		
Recommendation(s): That the Committee Approve:-		
1	the proposed release of £100,000 from the Highfields Park Leisure Trust dowry to be used as match funding for a Heritage Lottery Fund (HLF) bid as detailed in sections 2 and 4.	
2	the award of delegated authority to the Director of Sports, Culture and Parks to enter into discussion with the Charity Commission to formally approve the release and use of the Highfields Park Leisure Trust dowry fund.	

1. BACKGROUND

- 1.1 The dispositions of the freehold interest in Highfields Park Leisure Trust land have accumulated a sizable dowry which now totals over £888,500. In line with the conditions of the charity these funds are locked in the Trust's accounts and can only be used to purchase additional land to further benefit the Trust and its objectives. The only funding that is available for use on the park has been the interest raised from the investment dowry. However, interest rates have been low for a number of years, and as such funding from this source has also been low.
- 1.2 At the Trust and Charities Committee meeting in February 2012, the Committee approved the release of £400,000 from the Highfields Park Leisure Trust to be used as a match contribution for a Heritage / Big Lottery Parks for People Restoration Project. Following the Committee's approval a business case was produced and submitted to the Charity Commission in order to formally approve the release of the dowry funds. The Charity Commission formally approved the transfer and use of the dowry funds on 26th March 2012.
- 1.3 Since this date the Parks Service has pressed forward with the restoration plans for the park. We received our Stage One Lottery approval in October 2013 and we submitted our Stage Two bid in September 2014. A final decision on the funding will be made in December 2014.

2.0 PROPOSAL

- 2.1 Over the last 2 years the recession has caused a number of reductions and then as the economy has picked up there has been a significant increase in construction prices. This has caused several project changes / value engineering exercises in order to keep the project within the original budget estimate. As part of this process it hasn't been entirely possible to reduce the scope of the works and therefore additional match funding is now required in order to balance the budget and secure the final HLF contribution. To achieve this, a further transfer from the Highfields Park Leisure Trust permanent dowry is now requested.
- 2.2 The Release and Use of the Dowry Funds
The Highfields Leisure Trust dowry currently stands at £888,500. As approved at the meeting in February, the release of £400,000 has already been approved. In order to ensure that the project funding is fully secured a further £100,000 is requested to be transferred from the Highfields Park Leisure Trust permanent dowry to the HLF project. This will combine with the existing approved contribution to total £500,000.
- 2.3 If the additional £100,000 is agreed by the Committee, formal agreement will be sought from the Charity Commission to release the funds for the purpose of match funding the HLF bid. The remaining £388,500 dowry fund will remain with the Highfields Park Leisure Trust account and will be secured to enable future revenue contributions to be provided through interest.

The original and revised project costs are included in Appendix 1

3. REASONS FOR RECOMMENDATIONS (INCLUDING OUTCOMES OF CONSULTATION)

3.1 The release of the dowry funds is sought because this option presents the only secure and potentially available funding at the present time and it will enable the Council's HLF bid to progress at speed as soon as we have secured the HLF funding.

3.2 Delegated authorities will enable full discussion to take place with the Charity Commission in order to approve this additional contribution.

4. OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

4.1 To not seek the release of the dowry to be used to match and apply for HLF funding would mean that the historic fabric of the park would not be able to be restored and would continue to decline.

5. FINANCIAL IMPLICATIONS (INCLUDING VALUE FOR MONEY)

5.1 The Trust and Charities' Committee on the 24th February, 2012 approved the use of £400,000 with a reduction in the annual investment income to the Trust account of £2,000. A further £100,000 would increase this to £2,500, an additional reduction of £500.

5.2 The overall net effect of the revised project on the Trust's revenue budget will be £27,640 p.a. However, this figure includes a conservative assessment of additional income and cost savings, as these elements are subject to a significant degree of uncertainty. Considering the significant improvement in the facilities that will be generated by the investment of Trust and Council funding, it is suggested that this is good value for money.

6. RISK MANAGEMENT ISSUES (INCLUDING LEGAL IMPLICATIONS, CRIME AND DISORDER ACT IMPLICATIONS AND EQUALITY AND DIVERSITY IMPLICATIONS)

6.1 Legal

The report correctly identifies the need to obtain formal Charity Commission approval for the proposed release of additional dowry funds. The submission to the Commission will need to explain clearly why the costs have increased in the manner that they have and why a further additional contribution is in the best interests of the Charity.

6.2 Risk and Opportunity Management

The main risk at this point is that the Charity Commission does not support the release and use of the Highfields Park Leisure Trust dowry. In order to reduce this risk legal advice will be obtained and a meeting arranged to discuss the proposals in details with the Charity Commission.

6.3 Performance Management

If successful, workload planning will ensure that the delivery of the project does not impact negatively on the rest of the Parks & Open Spaces Service.

6.4 Communications

There will be several key stages through the project to link to a communications plan:

- Result of the Stage Two bid.
- Construction on site.
- Opening ceremony.

7. **EQUALITY IMPACT ASSESSMENTS (EIAs)**

Has an Equality Impact Assessment been carried out?

- No

This decision has no direct impact on service users.

8. **LIST OF BACKGROUND PAPERS OTHER THAN PUBLISHED WORKS OR THOSE DISCLOSING CONFIDENTIAL OR EXEMPT INFORMATION**

8.1 None

9. **PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT**

- 9.1 Highfields Parks Heritage and Big Lottery Fund, Parks For People Restoration and Improvement Project: Stage Two Application. Executive Board 22nd July 2014
- 9.2 Highfields Parks Heritage and Big Lottery Fund, Parks For People Restoration and Improvement Project: Stage Two Application. Trust and Charities Committee 30th May 2014
- 9.3 Highfields Park: Heritage and Big Lottery Fund, Parks For People Restoration and Improvement Project: Stage One Application. Executive Board 17th July 2012.
- 9.4 Highfields Park: Heritage and Big Lottery Fund, Parks For People Restoration and Improvement Project: Stage One Application. Trust and Charities Committee 1st June 2012.
- 9.5 Highfields Park: Trust Release of Dowry Funds Trust and Charities Committee report 24th February 2012.
- 9.6 Highfields Park: Lottery Bid Expression of Interest and Delegated Authorities for Highfields Park and Harvey Hadden Stadium Trust and Charities Committee report 6th August 2011
- 9.7 Heritage Lottery Fund Parks for People introduction and help notes, 2010.
- 9.8 Highfields Park Master plan and Conservation Management Plan, FPCR, 2009

Appendix 1: original and revised project costs

Description/Item	Stage One estimates 01/08/12 Rev E	Stage 2 Costs 09/07/14 Rev F
Capital Works Sub-total	£2,393,715.00	£2,591,280.87
Surveys	£45,620.00	£107,969.48
Contingency	£239,371.50	£129,564.00
Prelims	£239,371.50	£340,233.00
Activities	£384,000.00	£384,000.00
Fees	£67,000.00	£201,575.42
Maintenance	£56,500.00	£25,350.00
Staff	£210,000.00	£225,000.00
OHPs	£104,477.73	£121,176.00
Inflation	£154,477.79	£77,679.99
Client Contingency	£0	£51,825.62
TOTAL DELIVERY COST	£3,894,533.52	£4,255,654.38
NCC Tree Service Budget		-£20,000.00
NCC Area Capital Budget		- £10,000.00
NCC funding for Head Gardener (5 years)		- £125,000.00
NCC Increased M&M (5 years)		- £25,350.00
NCC Additional Income (over 5 years)		- £24,650.00
Croquet Club		- £10,000.00
WREN funding (tbc)		- £50,000.00
UoN Grounds Maintenance		- £25,000.00
Highfields Leisure Park Trust		- £400,000.00
Highfields Leisure Park Trust - additional (tbc)		- £100,000.00
UoN Lakeside events funding		- £346,500.00
Probation Service (in kind)		-£8,000.00
Volunteer time (in kind)		- £21,000.00
Non-HLF Match Funding sub-total	-£1,037,035.00	-£1,165,500.00

HLF grant request	£2,857,498.52	£3,090,154.38
	73.37%	72.61%