
Ernest Stevens Trusts Management Committee –
Report of Assistant Director of Corporate Resources
Stevens Park and Recreation Ground Foundation Trust
31st July 2013

Purpose of Report

1. To consider the financial strategy for the Stevens Park and Recreation Ground Foundation Trust.

Background

2. Ernest Stevens made various donations of property which were to be used for specified purposes. These have been identified as individual Trusts and detailed below:
 - i. Mary Stevens Maternity Home and Public Park Charity.
 - ii. Mary Stevens Park, Recreation Ground and Park, Norton.
 - iii. Stevens Park, Quarry Bank.
 - iv. Stevens Park and Recreation Ground Foundation, Wollescote
3. Only the Stevens Park and Recreation Ground Foundation, Wollescote has investments, which generate income for disbursement.
4. The income of the Stevens Park and Recreation Ground Foundation Trust shall be applied in one or more of the following ways:
 - a. The maintenance and improvement of the property for the time being belonging to the Foundation;
 - b. The acquisition and laying out of additional land to be held in trust for the Foundation;
 - c. The maintenance and improvement of the property for the time being held by the Council on trust for the charitable purposes specified in deeds dated 6th December 1929(Mary Stevens Park, Norton) and 13th February 1931 (Mary Stevens Maternity Home and Public Park)
 - d. The provision of facilities for recreation or other leisure time occupation, being facilities provided with the object of improving the conditions of life for persons resident in the Borough of Stourbridge.
 - e. Where in the opinion of the Council, the net income of the Foundation cannot be usefully and beneficially applied in accordance with the provisions of the last sub clause, it may be applied for such other charitable purposes for the benefit of persons resident in the Borough of Stourbridge as the Council may determine.

5. In 2001, the Charity Commission confirmed the opinion that because the Council uses its mainstream budget to maintain all the property in the trusts, it is permitted to give grants under paragraph (e)
6. In the application of the income of the Foundation, the Trustees have discretion to give preference to the area of the former Urban District of Lye and Wollescote and to meeting the needs of the people resident therein.
7. There is no set maximum amount stipulated in the Trust deed for a grant.
8. However, in the past, the Trustees have tended to apply the criteria that the grant should be a maximum of £5000 or 50% of the total cost of a capital project.
9. In November 2008 the Trustees agreed to set aside the undistributed income of the Trust for the 5 years 2008/09 to 2012/13 which currently amounts to £66,000.
10. At a previous meeting of the former Finance (Stevens Bequests) Sub. Committee, the Trustees agreed a policy setting out the level of reserves needed to meet the objectives of the Charity. This policy was to maintain the "Real" spending power of the bequest i.e. the permanent funds, as a fundamental part of the investment strategy. Therefore before any grants are awarded, it is confirmed that the value of the permanent funds adjusted for inflation has been maintained.
11. This Committee has the delegated power to act on behalf of the Trustee, Dudley MBC for the 4 Ernest Stevens Trusts as shown in paragraph 2.

Financial Strategy **Reserves Policy**

12. As set out in paragraph (8) above the Trustees have previously agreed to maintain the value of the original endowment by adjusting it for inflation and property and investment valuations. If the value of the capital falls it has to be maintained by using the undistributed income, which could result in no funds being available for awarding grants and the amount of funds in reserve.
13. Appendix 1 sets out the calculation of the original endowment adjusted for inflation and other valuations as at 31st March 2013 .
14. The land and buildings is currently being revalued as at 1st April 2013, by the Management and Valuations team, within the Directorate of Corporate Resources.
15. This policy is not a requirement of the trust deed, however members should agree a policy on reserves or state the reason for not having a policy.

Criteria for awarding grants

16. The trust deed sets out the details of how the Trust income may be spent. This is shown in paragraphs 4-6 above.
17. The deed does not indicate whether a grant can be awarded for capital or revenue purposes nor does it specify a maximum amount nor the time that must elapse between an award being made and another application by the same body being submitted.
18. In the past the members agreed the criteria that the grant should be for capital, for a maximum of £5000 or 50% of the project cost. However members can use their discretion and award grants outside this criteria.
19. Previously applicants have been able to apply for further funding from the Trust after two years from the date of the meeting which agreed the previous award. However members could use their discretion to consider grants earlier.
20. At the Stourbridge Area Committee Meeting in November 2008 it was agreed that for the next five years interest earned on the capital of the Ernest Stevens Trust fund be set aside for the repair of the gates at Mary Stevens Park, Stourbridge. However any application for funding from the Stevens Trust, of exceptional merit, should be considered on an individual basis over the next five years. Currently the amount set aside from 2008/09 to 2012/13 is £66,000.
21. Appendix 2 shows the applicant and the value of any awards in the past 5 years.
22. Members need to consider what conditions, if any, they want to impose outside those stated in the Trust deed in order to award grants.

Finance

23. The income of the trust in 2012/13 was approximately £17,000 and it is expected that this will not significantly change in 2013/14.
24. The Council undertakes to maintain the parks through its revenue budget. In 2012/13 the maintenance costs were as follows:

Mary Stevens Centre	£1,481
Mary Stevens Park	£88,676
Stevens Park- Wollescote	£73,538
Stevens Park- Quarry Bank	<u>£57,979</u>
TOTAL	<u>£221,674</u>

25. The Council also collects income from activities in the parks and buildings which is shown its revenue accounts and used to finance this maintenance.

Mary Stevens Centre	£0
Mary Stevens Park	£30,826
Stevens Park- Wollescote	£ 3,919
Stevens Park- Quarry Bank	<u>£ 2,450</u>
TOTAL	<u>£37,195</u>

26. Members need to consider the treatment of any future income.

Law

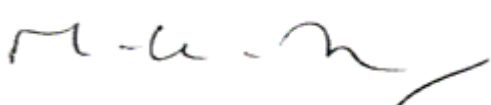
27. The Council is successor to the former Stourbridge Council by virtue of the Local Government Act 1972.
28. Section 139 of the Local Government Act, 1972 empowers the Council to accept, hold and administer gifts of property, where it enables them to discharge any of their functions, and where the gifts are for the purposes of benefiting the inhabitants of their area.
29. The law relating to Trusts, which are charitable, is contained in various acts, the main one being the Charities Act 2011.
30. The conditions under which a gift is to be administered, are contained in the Deed creating the Trust, and any subsequent schemes made by the Charity Commission.

Equality Impact

31. The Trusts have been set up to benefit the public in certain geographical areas of the Borough as outlined in the Deeds of Gift.

Recommendation

32. It is recommended that the Members consider:
- a. The Reserves Policy for the Trust
 - b. The Criteria for awarding grants from the Trust
 - c. The Finance of the Trust.



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