

**DUDLEY METROPOLITAN BOROUGH COUNCIL**

**STOURBRIDGE AREA COMMITTEE -  
31st JANUARY 2005**

**REPORT OF THE DIRECTOR OF FINANCE**

<p><b>Wards affected Pedmore &amp; Stourbridge East, Norton, Wollaston and Stourbridge Town, Lye and Wollescote, Cradley &amp; Foxcote</b></p>
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**GRANT APPLICATIONS:        STEVENS PARK AND RECREATION  
   GROUND FOUNDATION TRUST**

**1.0    PURPOSE**

1.1    Members of the Committee are asked to consider the following application for funding from the Trust.

**2.0    BACKGROUND**

2.1    Members will be aware that of the four Ernest Stevens Trusts now combined under the control of this Committee, only one, the Stevens Park and Recreation Ground Foundation Trust, has funds available for disbursement for charitable purposes.

2.2    The annual income of the Fund may be applied under the terms of the Trust Deed in one of the under-mentioned ways:-

- (a)    the maintenance and improvement of the property for the time being belonging to the Foundation;
- (b)    the acquisition and layout of additional land to be held in Trust;
- (c)    the maintenance and the improvement of the property held under the terms of the original Trust;
- (d)    the provision of facilities for recreation or other leisure time occupation with the object of improving the conditions of life of residents in the area of the former borough of Stourbridge.

2.3    In so far, in the opinion of the Council, that the net income of the Trust cannot be usefully and beneficially applied in accordance with the provisions in the foregoing paragraph, it may be applied for such other charitable purposes for the benefit of persons resident within the area of the former Borough of Stourbridge as the Council may determine.

- 2.4 In the application of the income of the Foundation, the Council should give preference to the area of the former Urban District of Lye and Wollescote and to meeting the needs of the people resident therein.
- 2.5 There is no set maximum amount stipulated in the Trust deed for a grant. However, in the past, the Trustees have tended to apply the criteria that the grant should be a maximum of £5,000 or 50% of the total cost of a capital project.

### 3.0 PROPOSALS

3.1 That the committee considers the following application:-

- **16<sup>TH</sup> STOURBRIDGE NORTON, ST MICHAEL'S SCOUT UNIT**

The applicant is a registered charity , No. 524637 and meets at the Scout Hut, Kempton Way, Norton on weekday evenings.

The aims of the organisation are to provide youngsters between the ages of 5 years & 25 years with the training and opportunities to develop into responsible adults within society.

Current membership is 190 young people mainly from the Stourbridge area. However it is anticipated that this will rise to at least 270 young people if the new larger building is completed because there is currently a waiting list.

The Committee are requested to consider the application for a grant of £5000 towards the cost of a new larger brick built building with disabled access .It is intended to extend the use of the building to provide facilities for a Youth Club and an Over 50's Club. An estimate for the work has been received totalling £181,200.75 plus VAT.

The applicant has submitted its annual accounts to 31<sup>st</sup> March 2004 (*Appendix 1*). The maintenance accounts show a deficit for the year of £1028 and £1487 held in bank accounts and cash. There is also a separate bank account specifically for the new hut which at 12<sup>th</sup> December 2004 was showing funds of £19103.51. The applicant has also submitted an application for funds from the Stourbridge Area Committee Capital Allocation budget & the lottery.

### 4.0 FINANCE

4.1 The Trust income for 2003/4 is summarised as follows: -

	£
Investment Income	16,213
Rental Income	1,116
	<u>17,329</u>
	<u><u>17,329</u></u>

It is anticipated that the income for 2004/05 will be maintained at this level. Grants totalling £12,500 have been awarded in 2004/05 to date.

4.2 At a previous meeting of the former Finance (*Stevens' Bequests*), Sub-Committee, Members agreed to maintain the "real" spending power of the bequest as a

fundamental part of the investment strategy. The total sums shown in 4.1 above could be spent without jeopardising the strategy. However, should the value of the investment fall, any income then generated would need to be reinvested and would not be available for disbursement.

The market values of the investments are:-

	<b>Original Value</b>	<b>Current Value 30.06.2004</b>
	£	£
COIF - Fixed Interest	118,000	124,380
- Equity Based	118,000	162,675
	236,000	287,055
	236,000	287,055

Short-term investments are also held to provide some flexibility in the event of an unusually high level of bids in any year.

The share valuation was obtained from CCLA Investment Management Ltd.

## 5.0 LAW

- 5.1 The Trust is administered in accordance with the Trust Deed and as Trustees, the Council is under a fiduciary duty to ensure that the annual income of the Trust is properly applied for the purposes identified in the Trust Deed.

By virtue of a scheme dated the 24<sup>th</sup> May, 1966, made by the Secretary of State for Education and Science, the Trust income can be applied for the maintenance and improvement of property donated by Earnest Stevens, the acquisition and laying out of additional land and the provision of facilities for recreation or other leisure time occupation for the residents of Stourbridge. Furthermore, if the Council is satisfied that the income cannot be usefully and beneficially applied in accordance with the above purposes, it can be applied for other charitable purposes for the benefit of persons resident in Stourbridge.

## 6.0 EQUAL OPPORTUNITIES

- 6.1 This report has no direct equal opportunities implication.

## 7.0 RECOMMENDATION

- 7.1 It is recommended that members consider the funding application detailed in this report in the light of available funds.



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**DIRECTOR OF FINANCE**

**Contact Officer: Diane Robbins - Ext. 4816**

## **BACKGROUND PAPERS**

Letter from Cllr David Rogers

Completed Grant application questionnaire.

Quotation from Homer Coctruction Ltd.

Annual accounts for the Maintenance Account.

Bank Statement & financial information for the New Hut Fund Account

Declaration of Trust dated 7<sup>th</sup> May 1972

APPENDIX 1

Maintenance Account  
not Fund Raising Account

NORTON SCOUTS AND GUIDES JOINT HUT FUND

BALANCE SHEET FOR YEAR ENDED 31ST MARCH, 2004

		2002/2003	2003/2004
Cash in hand	31.3.03		
Deposit A/C	31.3.03	41.58	
Current A/C	31.3.03	26.17	
		2448.04	
(less excess of expenditure over income		1028.61)	
Cash in hand	31.3.04		31.58
Deposit A/C	31.3.04		26.48
Current A/C	31.3.04		1429.12
		£1487.18	£1487.18
		=====	=====

Accounts checked and found to be as listed 8.7.04

*Heather Barker*  
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Heather Barker

NORTON SCOUT AND GUIDE JOINT HUT FUND

Maintenance Account,  
not FundRaising Account.

INCOME AND EXPENDITURE ACCOUNT APRIL, 2003 to MARCH, 2004

	<u>Income</u>	<u>Expenditure</u>
Guides	860.00	
Scouts	400.00	
Grant - Dudley M.B.C.	350.00	
Donation	25.00	
Int. on Deposit A/C	.31	
Gas		211.64
Electric		267.81
Water		28.86
Insurance		1943.61
Repairs and Renewals		184.50
Land Rent		10.00
Gaming Licence Renewal		17.50
Excess of Expenditure over Income	1028.61	
	<u>£2663.92</u>	<u>£2663.92</u>

Accounts checked and found to be as listed 8.7.04

*Heather Barker*  
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