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BOURNEMOUTH & DISTRICT RECREATIONAL CHARITY STATEMENT BY TRUSTEES REGARDING BOURNEMOUTH UNIVERSITY

As members will be aware the Charity is negotiating a sale of Chapel Gate to the University (BU). Some members will have seen a report in the Bournemouth Echo last week regarding this. What the report omitted was the protection that has been and will continue to be negotiated for all the current playing sections.

Whilst negotiations are still in progress the Trustees can report on the outline of the arrangements that would follow the proposed sale:

BDRC representation on the subsidiary board

- For charity law reasons, there will be a new company (a subsidiary of BU) formed to oversee the facility after sale. The Board will consist of BU representation, some Non Executive personnel and representation from BDRC, in the form of the Chair of BRDC plus one other trustee.

Lease length

- Again for charity law reasons, the freehold of Chapel Gate will sit with BU. BU will grant the subsidiary a lease of the property, for a period of not less than 35 years initially. Further discussion is taking place around the lease length, but there are charity law and tax reasons restricting it. It is BU's present intention that a further lease would be granted at the end of the first lease period, whatever that might be. The period of 35 years has been selected, and legally justified, on the basis that it is sufficient to satisfy all the sports national governing bodies in respect of the payment of grants or loans in the future for developments in addition to BU investments.

SLA charges

- It has been agreed that there will be no increase in the SLA paid by all sections in the first year. Any future increases in contributions by sections would be explained by reference to the investments being made, for example, in the clubhouse and playing surfaces, and better attribution of cost to use through improved systems and utility monitoring. Some investments, such as LED lighting, are likely to reduce running costs, so the overall costs will be considered in the round.

Revenue Gap

- According to the BU revenue projections, there will be a significant revenue gap between income and expenditure. It must be noted that along with the large capital investment with

the purchase, BU will be making a significant on-going annual contribution to the operational running of the site, for example by enhancing the pitch and facility maintenance regime. BU confirm they will cover the gap that is not attributable to use of Chapel Gate by sections and third parties. It will be for the subsidiary company to make the books balance for that other use, but as noted, in the first year, we have agreed with BU there will be no change to the SLA payments.

Operational Group

- There will be an operational group, reporting to the Board of the subsidiary company. That operational group will allow all users of the facilities(all sections will be represented) to offer feedback and suggestions, working with the site management team.

Sponsorship Activity

- BU, as an educational charity with quasi-public body status, has some restrictions on the business activities of those who can sponsor. It is not, however, BU's intention to affect non-site specific sponsorship activity of sections. In particular, neither BU nor the subsidiary company will seek to restrict kit used by sections or other sponsorship arrangements related to the players and the teams themselves. On site sponsorship will be the exclusive right of the subsidiary company, as the leaseholder. The subsidiary company will, working with BU, review on site sponsorship procedures, along with many other operational issues, after the purchase.

Bookings

- The current arrangements for the booking of pitches and other facilities will continue in the short term and so sections will see no difference.

Investment

- BU has committed to invest in the following areas within a two year period This will be based on timing, programming and procurement processes required.
 - a) Health & safety and Compliance improvements to the site and buildings
 - b) Remedial work to turf pitches
 - c) Replacement of astro 2
 - d) Repair, replace and /or add to floodlighting
 - e) Improvements to car parking

The Trustees will continue the negotiation process and will report again when more concrete information is available.