

## NOTTINGHAM CITY COUNCIL

### TRUSTS AND CHARITIES COMMITTEE

**MINUTES of the meeting held at Loxley House on 26 APRIL 2013 from 2.05pm to 3.45pm.**

- ✓ Councillor Hartshorne (Chair)
  - ✓ Councillor Molife (Vice-Chair)
  - ✓ Councillor Ali
  - ✓ Councillor Jones
  - Councillor Morris
  - Councillor Spencer
  - ✓ Councillor Steel
  - Councillor K Williams
  - ✓ Councillor S Williams
- ✓ indicates present at meeting

#### **Colleagues, partners and others in attendance:**

Eddie Curry	-	Head of Parks and Open Spaces	-	Communities
Stuart Knight	-	Director of Strategic Asset and Property Management	)	Development
Simon Peters	-	Team Leader Disposals and Development	)	
Rebecca Beecroft	-	Solicitor	)	
Glyn Dakin	-	Assistant Treasury Manager	)	
Barry Dryden	-	Senior Finance Manager	)	Resources
Noel McMenemy	-	Constitutional Services Officer	)	
Tracy White	-	Senior Assistant	)	

#### **78 APOLOGIES FOR ABSENCE**

Councillors Morris, Spencer and K Williams – sick leave.

#### **79 DECLARATIONS OF INTERESTS**

None.

#### **80 MINUTES**

The Committee confirmed the minutes of the meeting held on 22 February 2013 as a true record and they were signed by the Chair.

## **81 CHARITIES – REVIEW OF ACCOUNTING POLICIES**

The Committee considered the report of the Deputy Chief Executive/Corporate Director for Resources. Barry Dryden, Senior Finance Manager, highlighted the following:

- (a) the review resulted in minor changes to the financial year end dates for the Harvey Hadden Stadium and Highfields Leisure Park Trusts' accounting policies. For the Bridge Estate Trust accounting policies, an unearmarked reserve had been established to allow flexibility for unforeseen events;
- (b) the reviewed accounting policies would be included in the Charitable Trusts' Annual Reports for 2013/14, in line with Charity Commission guidance.

**RESOLVED to approve the accounting policies for the Bridge Estate, Harvey Hadden Stadium and the Highfields Leisure Park Trust for inclusion in the 2013/14 Annual Reports.**

## **82 CHARITIES – REVIEW OF PUBLIC BENEFIT STATEMENTS**

The Committee considered the report of the Deputy Chief Executive/Corporate Director for Resources. Barry Dryden, Senior Finance Manager, highlighted the following:

- (a) The Charities Act 2006 requires Trustees to explain within the Annual Report the significant activities undertaken to provide a public benefit;
- (b) No changes were proposed for the Public Benefit Statements for the Harvey Hadden Stadium and Highfields Leisure Park Trusts. The only proposed change to the Bridge Estate Public Benefit Statement was the inclusion of an estimated savings figure for Nottingham citizens paying Band D Council Tax because of transferring the to the City Council's General Fund;
- (c) The Public Benefit Statements would be included in the Charitable Trusts' Annual reports for 2013/14.

**RESOLVED to approve the Public Benefit Statements for the Bridge Estate, Harvey Hadden Stadium and Highfields Park Trusts to include in the 2013/14 Annual Reports.**

## **83 CHARITY COMMISSION CHECKLIST FOR TRUSTEES**

The Committee considered the report of the Deputy Chief Executive/Corporate Director for Resources.

**RESOLVED to note the detail provided in relation to the 'Strategy' section of the Charity Commission's Trustees checklist for the Bridge Estate, Harvey Hadden Stadium and Highfields Leisure Park Trusts.**

## **84 BRIDGE ESTATE BANKING ARRANGEMENTS**

The Senior Finance Manager introduced a report of the Deputy Chief Executive/Corporate Director for Resources on retaining existing banking arrangements for the Bridge Estate, highlighting the following:

- (a) retaining existing day to day banking arrangements, where the Bridge Estate maintained ring-fenced accounts within the existing Council's group of accounts under the existing banking contract with the Co-operative Bank, was cost-free and low risk. Alternative options would incur cost with no guarantee of additional returns;
- (b) the main downside was that these were not the highest yielding accounts in the market.

The Committee agreed that existing arrangements were appropriate in the current economic climate. If the economy improved, and/or interest rates increased significantly, the Committee wanted to review the situation.

### **RESOLVED**

- (1) to continue at present with existing banking arrangements for the Bridge Estate, utilising the banking facilities offered within the Council's existing Co-operative Bank contract;**
- (2) to request the Deputy Chief Executive/Corporate Director for Resources to submit a report to the Committee, highlighting revised options for banking arrangements, if there was a significant change in the economic climate and/or interest rates.**

## **85 BRIDGE ESTATE TREASURY MANAGEMENT**

The Committee considered the report of the Deputy Chief Executive/Corporate Director for Resources. Barry Dryden, Senior Finance Manager, highlighted the following:

- (a) a range of short-term investment options for Trustees to consider, with information on returns, risk, liquidity and other possible disadvantages;
- (b) the options around early repayment of the City Council debt;
- (c) Property colleagues will take regular reports on the activity of the property portfolio to future meetings, and these should include an assessment of the longer term cash flow implication of their activities;
- (d) If funds were surplus for over 1 year, senior Finance colleagues will provide a range of suitable longer-term investment options for Trustees to choose from;
- (e) Senior finance colleagues were not permitted to give the Trustees financial advice on the options before them.

The Committee raised the following points in discussion:

- (f) trustees saw no advantage in making early repayment of the City Council loan, particularly as better returns could be obtained by investing in property;
- (g) Stuart Knight, Director of Strategic Asset and Property Management, explained that the property portfolio was evolving, with older properties being disposed and a continued move out of residential and into commercial property;
- (h) trustees recognised the need to retain some cash reserves to deal with repairs, maintenance and unforeseen costs.

## **RESOLVED**

- (1) not to prioritise the early repayment of the City Council loan at this time;**
- (2) to retain existing arrangements for short term investments, where funds generated from property sales remaining within the Bridge Estate's Co-operative Bank accounts;**
- (3) to request the Director of Strategic Asset and Property Management to identify longer term cash flow implications in regular reports on property portfolio activity, starting from September 2013;**
- (4) to request the Deputy Chief Executive/Corporate Director for Resources to provide options for longer term investment requirements identified through resolution 85(3) above.**

## **86 BRIDGE ESTATE – APPOINTMENT OF AUDITORS**

The Committee considered the report of the Deputy Chief Executive/Corporate Director for Resources. Barry Dryden, Senior Finance Manager, highlighted the following points:

- (a) trustees approved the Bridge Estate charity to enter into a considered tendering process to award the audit contract for 2012/13, in line with the Audit Commission Act 1998;
- (b) a number of Nottingham-based accountancy firms were invited to bid, and 4 tenders were received. Initial credit checks and evaluations did not identify any issues with the 4 tenders;
- (c) the tender from Rogers Spencer Ltd was the most competitive bid at £7,500, and was over £2,000 cheaper than the next cheapest tender;
- (d) it was proposed to appoint for an initial period of one year, with an option for extending the contract for a further 4 years.

During discussion, the Committee supported the two-stage approach adopted by Finance colleagues, and Barry Dryden confirmed that the successful bidder had fully satisfied the necessary quality checks. He also explained that the cost was below

the procurement threshold of £10,000, and so a further procurement exercise to extend the contract would not be needed.

**RESOLVED to appoint Rogers Spencer Ltd as auditors of the Bridge Estate Charity for 2012/13, with an option to extend the contract for a further 4 years.**

**87 EXCLUSION OF THE PUBLIC**

**RESOLVED that the public be excluded from the meeting during consideration of the remaining items in accordance with Section 100A(4) of the Local Government Act 1972 on the basis that, having regard to all the circumstances, the public interest in maintaining the exemption outweighed the public interest in disclosing the information, as defined in Paragraph 1, 2, 3, 4 and 5 of Part 1 of Schedule 12A to the Act.**

**88 SALE OF 110-138 MANSFIELD ROAD**

**RESOLVED to approve the sale of the property on the terms set out in the report.**

**89 BULL CLOSE ROAD, LENTON INDUSTRIAL ESTATE – PURCHASE OF LONG LEASEHOLD INTEREST IN LAND**

**RESOLVED to purchase the long leasehold interest in the property on the terms set out in the report.**