



NOTTINGHAM CITY COUNCIL
TRUSTS AND CHARITIES COMMITTEE

Date: Friday, 31 January 2014

Time: 2.00 pm

Place: LB31 - Loxley House, Station Street, Nottingham, NG2 3NG

Councillors are requested to attend the above meeting to transact the following business

Deputy Chief Executive/Corporate Director for Resources

Constitutional Services Officer: Noel McMenamin Direct Dial: 0115 876 4304

AGENDA

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IF YOU NEED ANY ADVICE ON DECLARING AN INTEREST IN ANY ITEM ON THE AGENDA, PLEASE CONTACT THE CONSTITUTIONAL SERVICES OFFICER SHOWN ABOVE, IF POSSIBLE BEFORE THE DAY OF THE MEETING

CITIZENS ATTENDING MEETINGS ARE ASKED TO ARRIVE AT LEAST 15 MINUTES BEFORE THE START OF THE MEETING TO BE ISSUED WITH VISITOR BADGES

NOTTINGHAM CITY COUNCIL

TRUSTS AND CHARITIES COMMITTEE

MINUTES of the meeting held at Loxley House on 29 NOVEMBER 2013 from 2.00pm to 3.10pm.

Councillor John Hartshorne	(Chair)
Councillor Thulani Molife	(Vice Chair)
Councillor Liaqat Ali	
Councillor Glyn Jenkins	
Councillor Carole-Ann Jones	
Councillor Anne Peach	
Councillor Tim Spencer	
Councillor Roger Steel	
Councillor Sam Webster	

indicates present at meeting

Colleagues, partners and others in attendance:

Eddie Curry	-	Head of Parks and Open Spaces)	Communities
Richard Cox	-	Senior Estates Surveyor)	Development
Stuart Knight	-	Director of Strategic Asset and Property Management)	
Rebecca Beecroft	-	Solicitor)	Resources
Simon Burton	-	Corporate Risk Specialist)	
Barry Dryden	-	Senior Finance Manager)	
Noel McMenamin	-	Constitutional Services Officer)	

18 APOLOGIES FOR ABSENCE

None.

19 DECLARATIONS OF INTERESTS

None.

20 MINUTES

The Committee confirmed the minutes of the meeting held on 25 September 2013 as a true record and they were signed by the Chair.

21 MEMBERSHIP

The Committee noted the appointment of Councillor Anne Peach to the Committee.

22 REVIEW OF RISKS AND MITIGATIONS RELEVANT TO THE WORK OF THE TRUSTS AND CHARITIES COMMITTEE

The Committee considered the Deputy Chief Executive/Corporate Director for Resources' report on the assessment of risks relevant to the Committee, and showing how those risks are properly managed. Barry Dryden, Senior Finance Manager, introduced the report, and made the following points:

- (a) the Charities Commission produces guidance on how and why risks should be identified, and publishes a list of generic charities-related risks. Colleagues undertook an initial exercise to review and capture existing management mitigations for each of these generic risks, the outcomes set out at Appendix 1 to the report;
- (b) corporate risk specialists also facilitated a risk workshop to develop a Risk Management Action Plan for those risks not identified in the Charity Commission document – these are identified at Appendix 2 to the report;
- (c) Mr Dryden drew the Committee's attention to 2 areas of high risk. The first, relating to Highfields and Harvey Hadden, are the significant reduction in the level of subsidy needed to maintain and operate the facilities, and the second, relating primarily to the Bridge Estate, are the significant upgrade costs required for the property portfolio to meet energy efficiency targets;
- (d) the report recommended establishing a risk management protocol and proposed several actions to help manage and mitigate identified risk.

Eddie Curry, Head of Parks and Open Spaces, responded to councillor queries as follows:

- (e) lots was being done to drive down maintenance costs and to increase income generation for Highfields and Harvey Hadden, but it was difficult to commercialise the core offer, particularly for Highfields;
- (f) lottery funding covered grounds maintenance as well as capital works, and sustainability was a key requirement for lottery funding;

Stuart Knight, Director of Strategic Asset and Property Management, responded to councillor queries as follows:

- (g) he will work with the Energy Team to identify government grants for energy efficiency improvements, but energy regulations were becoming more stringent, and upgrade works will need doing regardless;
- (h) as part of the asset management plan, properties will be assessed to establish whether it was in the Bridge Estate's interests to dispose of properties needing lots of work and reinvest the proceeds elsewhere.

RESOLVED to

- (1) adopt a risk management approach consistent with the Council's Risk Management Framework;**
- (2) request the Senior Finance Manager to:**
 - (a) to maintain the Risk Management Action Plan (RMAP) at Appendix 2 to the report for review by the Committee at least annually to gain assurance that relevant risks are identified and effectively managed;**
 - (b) to engage such colleagues/experts as necessary to satisfy himself/herself that relevant risks have been identified, are correctly assessed and adequately managed;**
 - (c) take ad hoc/exception risk reports to the Committee where new high risks are identified, there are significant changes to the composition of the RMAP (risks or management actions), or as requested by the Committee.**

23 QUARTER 2 BUDGET MONITORING AND FORECAST OUTTURN 2013/14 – BRIDGE ESTATE, HARVERY HADDEN STADIUM TRUST AND HIGHFIELDS PARK TRUST

The Committee considered the Deputy Chief Executive/Corporate Director for Resources' report on the forecast for 2013/14 for the Bridge Estate, Harvey Hadden Stadium and Highfields Park Trusts. Barry Dryden, Senior Finance Manager, highlighted the following:

- (a) there was a projected significant shortfall for Bridge Estate rental income, primarily due to the sale of various properties and the timing of reinvestments in new properties;**
- (b) there was a shortfall in income from Harvey Hadden due to a decline in the casual hire of the stadium by schools, and an increase in income for Highfields Park Trust from additional boating lake revenue.**

The Committee raised the following issues in discussion:

- (e) in response to a councillor's query, Eddie Curry, Head of Parks and Open Spaces, explained that in 2014/15 the Harvey Hadden stadium will close for 3-4 months to complete improvement works. This will affect income in the short term, but will lead to an improved offer and increased income from 2015/16. Mr Curry also advised that the hot summer of 2013 and revised lifeguard arrangements had boosted boating lake revenue and reduce costs at Highfields;**
- (f) in response to councillors' queries, Stuart Knight, Director of Strategic Asset and Property Management, advised that Property Plus looked both to minimise voids and to maximise rental income in occupied properties to ensure income certainty;**

- (g) councillors requested information on rental incomes and projections for Bridge Estate properties, and in particular those in and around the Broadmarsh area.

RESOLVED to note the report and to request the Director of Strategic Asset and Property Management to submit information on rental income for Bridge Estate properties, in particular those in and around Broadmarsh to a future meeting of the Committee.

24 CHARITY COMMISSION CHECKLIST FOR TRUSTEES – FINANCIAL HEALTH, GOVERNANCE AND MAKING THE BEST USE OF RESOURCES

The Committee considered the Deputy Chief Executive/Corporate Director for Resources' report, providing details on several sections of the Charity Commission checklist for Trustees. Barry Dryden, Senior Finance Manager, introduced the report and made the following points:

- (a) the report focussed on 3 sections of the checklist, covering 'Financial Health', 'Governance' and 'Making best use of resources';
- (b) part of the 'Financial Health' section asked the question of trustees 'Have we reviewed our banking arrangements and, where relevant, our investments?'. The Committee last reviewed Bridge Estate banking arrangements in April 2013, when it agreed to continue to use banking facilities offered within the City Council's existing Co-operative Bank contract (minute 84 dated 26 April 2013). Since then, the Co-operative Bank has indicated that it is likely to withdraw from local government banking, so Mr Dryden will take a report on banking arrangements to a future meeting once the position becomes clearer;
- (c) under the checklist covering Governance, Mr Dryden had prepared draft responses to a number of questions to determine whether the trust is an 'effective trustee body'. He asked the Committee to consider the responses.

The Committee agreed the proposed responses to the Governance questions. Councillors noted that training for new trustees was available on the Charity Commission website, and that Mr Dryden or his team could provide 1-2-1 additional training, if required.

RESOLVED to note the report and to approve the responses to Section C of the Charity Commission checklist on 'Governance: Are we an effective trustee body' as follows:

'C. Governance

10. Are we an effective trustee body?

- **Have we recently reviewed our performance as trustee body?**

Councillors are appointed to membership of the Trust and Charities Committee by full council to fulfil the Council's responsibilities as Trustees. Terms of reference were set out for the committee and colleagues of the

Council continually review the terms of reference to ensure that the Trustees are provided with the necessary reports and information to fulfil their requirements. The terms of reference of the Committee are as follows:

- 1.to exercise the administrative powers and duties of Full Council in relation to all trusts for which the Council is sole trustee;**
 - 2.to exercise the administrative powers of the “Council as Trustee” in accordance with the relevant governing documents of each trust and Charity Commission Scheme(s);**
 - 3.upon receipt from colleagues, to administer and approve annual reports and accounts;**
 - 4.approve Charity Commission returns and all other regulatory documents;**
 - 5.respond to enquiries from Auditors or Independent Examiners;**
 - 6.inquire of and respond to the Charity Commission and any other regulatory bodies;**
 - 7.day to day management of any City Trust or Charity with assistance from the Director of Strategic Finance, Director of Legal and Democratic Services and/or Director of Property and/or other relevant colleagues, as appropriate;**
 - 8.to act as manager for the Trusts and Charities, and be authorised to take all necessary administrative decisions;**
 - 9.to compile and maintain a comprehensive and up to date list of all City Trusts and Charities;**
 - 10.to take any other action deemed appropriate or necessary to ensure the proper management and administration of all City Trusts and Charities.**
- Have we recently reviewed the skills, knowledge and experience we have as a trustee body? Have our needs changed?**

Following election, Councillors are invited to attend an induction which includes training on their role and responsibilities as trustees, with particular regard to the public benefit requirement. The historical background, policies and procedures of Bridge Estate are also covered and the trustees receive copies of Charity Commission published guidance. In addition the Trustees are able to rely on the extensive skills, knowledge and experience available from officers of Nottingham City Council.

- Are we aware of the importance of effective communication and negotiation with those with an interest in our charity, including our staff?**

Trusts and Charities committee meetings are held every two months and the agendas, minutes and reports are available to view online.

- **Do we have the guidance we need to ensure that our decisions are made in the best interests of our charity and beneficiaries?**

Guidance is provided from officers of Nottingham City Council, in the form of committee and verbal reports. External advice is always sought if in house expertise are unavailable.

- **Do we need to monitor the charity's affairs more closely, for example by meeting more frequently?**

The Trusts and Charities Committee meetings are held every two months. The frequency of meetings is kept under review by the Chair of the Trustees

- **Do we feel able to take difficult or unpopular decisions if needed?**

The Trusts and Charities Committee make decisions, which are considered best for the Bridge Estate charity.'

25 HARVEY HADDEN ICONIC FACILITIES

The Committee considered the Corporate Director for Communities' report on the proposed improvement programme at the Harvey Hadden site. Eddie Curry, Head of Parks and Open Spaces, introduced the report, and made the following points:

- (a) funding has been secured from a variety of sources, including from Sport England's Iconic Fund and contributions from several national governing bodies of sport, for the transformation of the Harvey Hadden Sports Complex;
- (b) key developments include a new 50 metre swimming pool to replace the Beechdale Swimming Centre, a new 1.5 kilometre cycle track, the addition of an 8th lane for the existing athletics track and improved changing room facilities;
- (c) having national-standard facilities means that the site, when completed, will be able to attract new attractions and events to Nottingham, such as triathlons and track-cycling events, as well as providing excellent leisure facilities for Nottingham citizens.

The Committee welcomed the report, and made the following comments in the brief discussion which followed:

- (d) in response to a councillor's query, Mr Curry explained that facilities management arrangements were not included in the build contract, but alternative models of facilities management will be explored;
- (e) Mr Curry confirmed that Sport England focussed closely on income generation when considering the funding bid.

RESOLVED to note the report.

26 BRIDGE ESTATE PROPERTY PORTFOLIO UPDATE

The Committee considered a report on the main property issues for the Bridge Estate property portfolio, introduced by Stuart Knight, the Director of Strategic Asset and Property Management. Mr Knight made the following points;

- (a) the Property Plus Team will be strengthened to deliver a more structured property and asset management service generally, and Richard Cox, Senior Estates Surveyor, will be directly involved in Bridge Estate property management issues in future;
- (b) the refurbished Neighbourhood Services MOT and Service Centre for Fleet Services at Woolsthorpe Depot is up and running, and Property colleagues were exploring the possibility of refurbishing building number 2 and demolishing building number 4 to improve the site;
- (c) the sale of properties to Confetti College have now completed, while two of the three remaining residential properties are to go to auction very shortly;
- (d) there is lots of interest in the vacant Sinatra's site, while lease terms have been agreed with the Egalitarian Trust for the Governor's House, Shire Hall;
- (e) colleagues are developing an opportunity buy the freehold for Bull Close from the City Council Chamber Estate. Any deal ill to be independently verified.

The Committee raised the following points in discussion:

- (f) in response to a councillor's question, Mr Knight explained that agents and consultants were appointed to particular projects depending on the particular specialist industrial, retail or commercial expertise needed, and only when that expertise was not internally available. He also explained that fees were based on a national framework and agreed that transparency was very important. Councillors asked for a briefing note on the consultants and agents used, the rationale for using them and the annual level of fees paid to come to a future meeting of the Committee;
- (g) councillors welcomed the recent and proposed improvements to the Woolsthorpe Depot site, and the efforts being made to dispose of the residential property portfolio;
- (h) councillors also welcomed the steps taken to strengthen the Property Plus Team capacity.

RESOLVED to note the progress on key property issues and to request the Director of Strategic Asset and Property Management to submit a briefing note on the use of property consultants and agents, the reasons for using them and the annual level of fees paid to them to a future meeting of the Committee.

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TRUSTS AND CHARITIES COMMITTEE – 31 January 2014

Title of paper:	Bridge Estate Trust - Quarter 3 Budget Monitoring 2013/14 and Budget 2014/15	
Director(s)/ Corporate Director(s):	Carole Mills Deputy Chief Executive & Corporate Director for Resources	Wards affected: All
Report author(s) and contact details:	Georgina Lewis, Finance Analyst georgina.lewis@nottinghamcity.gov.uk 0115 8764227	
Other colleagues who have provided input:	Barry Dryden, Senior Finance Manager, Financial Reporting	
Date of consultation with Portfolio Holder(s) (if relevant)		
Relevant Council Plan Strategic Priority:		
Cutting unemployment by a quarter		<input type="checkbox"/>
Cut crime and anti-social behaviour		<input type="checkbox"/>
Ensure more school leavers get a job, training or further education than any other City		<input type="checkbox"/>
Your neighbourhood as clean as the City Centre		<input type="checkbox"/>
Help keep your energy bills down		<input type="checkbox"/>
Good access to public transport		<input type="checkbox"/>
Nottingham has a good mix of housing		<input type="checkbox"/>
Nottingham is a good place to do business, invest and create jobs		<input type="checkbox"/>
Nottingham offers a wide range of leisure activities, parks and sporting events		<input type="checkbox"/>
Support early intervention activities		<input type="checkbox"/>
Deliver effective, value for money services to our citizens		<input checked="" type="checkbox"/>
Summary of issues (including benefits to citizens/service users): This report details the forecast outturn for the 2013/14 Bridge Estate, based on the third quarter's budget monitoring, and the Budget for 2014/15 for approval		
Recommendation(s):		
1	That the forecast outturn for 2013/14 be noted.	
2	That the 2014/15 Budget be approved	

1. REASONS FOR RECOMMENDATIONS

The Trustees have responsibility for making recommendations on the management of the Charity. The budget is a key part of the framework for the financial management of the Trust and the recommendations set out the budget targets against which the performance of the Trust will be monitored.

2. BACKGROUND

This report is an integral part of the Council's regular monitoring, forecasting and reporting system. The report enables the Trusts and Charities Committee to be aware of the financial position of the Charity and therefore allows any appropriate decisions or actions to be taken in their role as Trustee.

3. OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

None

4. FINANCIAL IMPLICATIONS (INCLUDING VALUE FOR MONEY/VAT)

4.1 QUARTER 3 BUDGET MONITORING/FORECAST 2013/14

The forecast outturn for 2013/14 is detailed in **Table 1**. The forecast is based on the expenditure to December together with anticipated future expenditure to the year end.

Table 1: Bridge Estate 2013/14 Forecast: December (Period 9)

	Updated Budget 2013/14 £	Forecast 2013/14 £	(Under)/Over spend 2013/14 £
External Income	(2,363,300)	(1,969,902)	393,398
Premises Costs	302,440	279,520	(22,920)
Supplies & Services	47,570	41,575	(5,995)
Support Services	90,860	111,120	20,260
Interest on Borrowing	103,270	103,270	-
Expenditure	544,140	535,485	(8,655)
Surplus before NCC Grant	(1,819,160)	(1,434,417)	384,743
Less Grant to NCC	1,609,900	1,225,157	(384,743)
Net (Surplus) / Deficit	(209,260)	209,260	-
Contribution to Funds/Reserves:			
Repairs and Renewal Funds	13,110	13,110	-
Un-earmarked Reserve	196,150	196,150	-
Unallocated (Surplus) / Deficit	-	-	-

As a result of an overall shortfall in the net surplus, the grant to Nottingham City Council (NCC) is expected to be reduced by £0.385m; an increase of £30k since Quarter 2 which is mainly due to increased repairs costs at Century House. Projected variances against budget are explained below.

- a. **Income (£393,398 shortfall)** – This is primarily due to lost rental income following the bankruptcy of a tenant at Listergate. Rent income has also fallen due to the timing difference between the sale of various properties and subsequent reinvestments in new properties. The major variances are shown in **Table 2**.

Table 2: Reasons for underachievement in rental income 2013/14

		£
Listergate	Changes in terms following the bankruptcy of the original tenant	192,000
Bull Close	Lost rent due to delay in acquisition	16,000
110 Mansfield Road	Reduced rent due to sale	50,000
Various	Reduced rent due to sale to Confetti	28,000
Whitemoor Court	Voids periods for units 21 and 24	44,000
Century House	Void period and bad debt write off	85,000
Other Items	Increase rent following rent reviews	(22,000)
Income Shortfall		393,000

b. Premises (£22,920 underspend) – This is mainly due to a net underspend on empty rates following rates appeals at Mansfield Road, plus additional repairs costs of £30k at Century House.

c. Support Services (£20,260 overspend) – £15k of this relates to the actual cost of financial services being charged rather than an historical sum. A further £5k is due to an increase in the cost of Estates services, reflecting actual activity.

4.2 BUDGET 2014/15

The preparation of the Bridge Estate budget for 2014/15 is set out in **Table 3** and shows an anticipated surplus of £1.678m before the grant awarded to NCC:

Table 3: Bridge Estate 2014/15 Budget

	Budget 2013/14	Changes	Budget 2014/15
	£	£	£
External Income	(2,363,300)	203,480	(2,159,820)
Premises Costs	302,440	(93,490)	208,950
Supplies & Services	47,570	(6,240)	41,330
Support Services	90,860	42,950	133,810
Interest on Borrowing	103,270	(5,300)	97,970
Expenditure	544,140	(62,080)	482,060
Surplus before NCC Grant	(1,819,160)	141,400	(1,677,760)
Less Grant to NCC	1,609,900	(64,900)	1,545,000
Net Surplus	(209,260)	76,500	(132,760)
Contribution to Reserves:			
Repairs and Renewal Funds	13,110	58,890	72,000
Un-earmarked Reserve	196,150	(135,390)	60,760
Unallocated Surplus	0	0	0

The overall movements between the 2013/14 and 2014/15 budgets relate to:

- Inflation, which has been applied, where appropriate, in line with the inflation rates used by NCC which reflect the actual/expected position.
- A change to a more accurate method of calculating the support service costs charged to Bridge Estate by NCC.
- Other budget changes affecting individual budget headings are primarily the result of the full year effect of changes to Bridge Estate's property portfolio. This includes the acquisition of Bull Close, the sale of various properties to Confetti and the sale of 110-138 Mansfield Road. It also includes revised rental income for 34-38 Listergate.

Grant to Nottingham City Council

In recent years the Bridge Estate has awarded the following grants to NCC:

Year	Contribution £m
2008/09	1.590
2009/10	1.294
2010/11	1.237
2011/12	1.275
2012/13	1.484

It is proposed to determine the grant awarded in future years after talking account of the following factors:

- The Bridge Estate is currently forecasting that the grant for 2013/14 is expected to fall to £1.225m
- The grant for 2012/13 represented an increase of 16.4% on the previous year
- The effect of the Government's measure of inflation
- The budgeted level of surplus before the grant to NCC

Given the expected grant reduction in 2013/14, the most appropriate baseline for future grants would be 2012/13. After applying inflation for 2012/13 and 2013/14 of 4.1% the grant to NCC would rise to £1.545m, reducing the Bridge Estate's surplus to £0.133m.

Contributions to Reserves

It is proposed that this surplus is used as follows:

- **Contribution to Repairs and Renewals Fund (£72,000)** – The maintenance of Trent Bridge can involve large sums at periodic intervals. The bridge was last repainted in 2002 and this was expected to last 15–20 years. Estates have assessed that the repainting cost will have risen to around £600k by 2017/18. The balance on the reserve is expected to be c £312k by the end of 2013/14. To ensure the fund is at the level of £600k in 2017/18, an annual contribution of £72k is required.
- **Contribution to Un-earmarked Reserve (£60,760)** – An un-earmarked reserve was established for 2013/14 to allow the Trust some flexibility in responding to variability in future surpluses or other unforeseen events and take advantage of other opportunities that may arise. It is proposed to transfer the balance of the surplus to this reserve, increasing the reserve to £256,910.

5. **RISK MANAGEMENT ISSUES (INCLUDING LEGAL IMPLICATIONS AND CRIME AND DISORDER ACT IMPLICATIONS)**

None

6. **EQUALITY IMPACT ASSESSMENT**

Has the equality impact been assessed?

Not needed (report does not contain proposals or financial decisions)

No

Yes – Equality Impact Assessment attached

Due regard should be given to the equality implications identified in the EIA.

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

Budget and final account working papers.

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

None

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TRUST AND CHARITIES COMMITTEE - 31 January 2014

Title of paper:	Woolsthorpe Close Depot - Proposal to work up refurbishment of existing vacant premises for use as offices.	
Director(s)/ Corporate Director(s):	Stuart Knight David Bishop	Wards affected: Bilborough
Report author(s) and contact details:	Simon Peters simon.peters@nottinghamcity.gov.uk Direct dial – 0115 876 5475	
Other colleagues who have provided input:	Malcolm Townroe (Legal Services), Georgina Lewis (Finance)	
Relevant Council Plan Strategic Priority:		
Cutting unemployment by a quarter		<input checked="" type="checkbox"/>
Cut crime and anti-social behaviour		<input type="checkbox"/>
Ensure more school leavers get a job, training or further education than any other City		<input type="checkbox"/>
Your neighbourhood as clean as the City Centre		<input type="checkbox"/>
Help keep your energy bills down		<input type="checkbox"/>
Good access to public transport		<input checked="" type="checkbox"/>
Nottingham has a good mix of housing		<input type="checkbox"/>
Nottingham is a good place to do business, invest and create jobs		<input checked="" type="checkbox"/>
Nottingham offers a wide range of leisure activities, parks and sporting events		<input type="checkbox"/>
Support early intervention activities		<input type="checkbox"/>
Deliver effective, value for money services to our citizens		<input checked="" type="checkbox"/>
Summary of issues (including benefits to citizens/service users):		
<p>1. There are vacant premises at Woolsthorpe Close Depot suitable for use as offices. There are prospective occupiers for the space and in order to appraise the feasibility and costs of converting and refurbishing the building it is necessary to incur some initial expenditure on surveys, and design fees.</p> <p>2. The letting of the vacant premises would result in Woolsthorpe Close Depot being fully occupied maximising the rental income potential from this investment property and reducing unrecoverable costs.</p>		
Recommendation(s):		
1	To delegate to the Director of Strategic Asset and Property Management the authority to instruct expenditure on surveys and design fees to appraise the viability and cost of converting and refurbishing the existing vacant premises at Woolsthorpe Close Depot.	

1. REASONS FOR RECOMMENDATIONS

In order to assess the feasibility of Building 4 providing good quality offices and carry out a viability assessment it is necessary to incur initial expenditure on surveys and design work and cost assessments.

The Bridge Estate is presently incurring unrecoverable costs in connection with these vacant premises.

There are prospective occupiers for the premises and a refurbishment would only proceed if terms have been agreed with an occupier(s) for the space.

2. BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)

Woolsthorpe Close Depot is located on the south side of Wigman Road in Bilborough and forms part of the Glaisdale industrial estate. It lies 4 miles west of the city centre and a short distance west of the ring road (A6514).

The site measures approximately 2.93 hectares (7.25 acres) and comprises a complex of office and workshop premises with the open parts of the site laid out as car parking and operational vehicle parking.

The property was acquired by the Bridge Estate Charity in 2002. It is understood to have originally been established as a depot for East Midlands Electricity in the mid-20th Century. E.on and Homeserve continue to occupy approximately 50% of the complex as call centres. Other parts of the site are let to Nottingham City Council Neighbourhood Services including Streetscene Public Realm Services and a newly completed Fleet Services maintenance and MOT facility. There are two remaining vacant buildings.

Nottingham City Council's Neighbourhood Services recently consolidated the Streetscene Public Realm Services by relocating the area team formerly based at Vernon Road to Woolsthorpe Depot.

NCC's Fleet Maintenance Service has contracted with Nottingham City Homes (NCH) to provide vehicle maintenance and servicing and this is carried out at the new maintenance workshop. NCH are currently based nearby at Harvey Road and Beechdale Road close to Woolsthorpe.

Conversion and refurbishment of Building 2 and the demolition of Building 4 would create approximately 20,000 sq ft of office premises with good onsite parking provision. Securing tenants for this space would significantly increase the rental income at Woolsthorpe Close Depot, reduce unrecoverable costs for empty rates, maintenance security and utilities, and improve the investment returns from this property.

1. A feasibility study has been commissioned and Maber Architects and Faithful and Gould have been instructed to examine options and provide recommendations for converting and refurbishing Building 2 to form good quality office premises. They are instructed to consider structural suitability and check for asbestos materials;
2. carry out design feasibility assessments
3. estimate costs for the demolition of building 4
4. carry out a cost and viability assessment

The cost of this initial feasibility work is approximately £30,000

3. OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

Do nothing - this would result in missing an opportunity to increase rental income and continuing to incur further unrecoverable costs of holding vacant premises at Woolsthorpe Close Depot.

4. FINANCIAL IMPLICATIONS (INCLUDING VALUE FOR MONEY/VAT)

In order to assess the feasibility and viability of converting Building 2 to offices it is necessary to incur some initial expenditure on surveys and design work. The cost of carrying out the feasibility and viability assessments to let these premises will be circa £30,000. This will need to be funded from Bridge Estate Revenue receipts for which there is no specific budget provision. The detailed assessment of the costs and return from the proposed conversion and refurbishment works will form part of the viability assessment and will be subject to further financial and investment consideration.

5. RISK MANAGEMENT ISSUES (INCLUDING LEGAL IMPLICATIONS AND CRIME AND DISORDER ACT IMPLICATIONS)

Prior to the Director of Strategic Asset and Property Management agreeing to a proposed lettings he needs to be satisfied that the premises are being let at market rental value and to be able to satisfy the Trustees that this is the case. In this respect it is understood that a report will be produced for consideration by Director of Strategic Asset and Property Management from an independent surveyor specialising in letting property of this nature. That report should also be made available for inspection by the Trustees.

The legal work relating to proposed lettings will be undertaken by the City Council's in house legal team and if necessary in conjunction with an external legal firm in order to ensure that there is no conflict of interest between the Council and the Charity.

6. EQUALITY IMPACT ASSESSMENT

Has the equality impact been assessed?

Not needed (report does not contain proposals or financial decisions)

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

N/A

8. PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT

N/A

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Trust and Charities Committee - 31 January 2014

Title of paper:	Bridge Estate Property Portfolio Update	
Director(s)/ Corporate Director(s):	Stuart Knight – Director of Strategic Asset and Property Management	Wards affected: Various
Report author(s) and contact details:	Richard Cox – Senior Estate Surveyor. Tel 0115 8763074 Richard.cox@nottinghamcity.gov.uk	
Other colleagues who have provided input:		
Date of consultation with Portfolio Holder(s) (if relevant)	16 January 2014	
Relevant Council Plan Strategic Priority:		
Cutting unemployment by a quarter		<input checked="" type="checkbox"/>
Cut crime and anti-social behaviour		<input type="checkbox"/>
Ensure more school leavers get a job, training or further education than any other City		<input type="checkbox"/>
Your neighbourhood as clean as the City Centre		<input type="checkbox"/>
Help keep your energy bills down		<input type="checkbox"/>
Good access to public transport		<input type="checkbox"/>
Nottingham has a good mix of housing		<input type="checkbox"/>
Nottingham is a good place to do business, invest and create jobs		<input checked="" type="checkbox"/>
Nottingham offers a wide range of leisure activities, parks and sporting events		<input type="checkbox"/>
Support early intervention activities		<input type="checkbox"/>
Deliver effective, value for money services to our citizens		<input type="checkbox"/>
Summary of issues (including benefits to citizens/service users):		
<p>The report sets out the key property events that have taken place or are proposed for the Bridge Estate since the date of the last meeting.</p>		
Recommendation(s):		
1	That Committee notes the contents of this report	

1. UPDATE

This report sets out the key Bridge Estate property transactions and events that have taken place or for which proposals have been progressed, since the date of the last meeting.

Ground Floor Bar/Restaurant, Century House, Chapel Bar

The lessee of the restaurant Heron Promotions Limited, trading as Sinatra's, went in to creditors voluntary liquidation in November 2013. Negotiations took place with the liquidator and his agent which lead to the assignment of the lease (which has 6 years left to run) to Curious Bars Limited at the passing rent. The new lessee was able to re-open the premises before Christmas and is understood to have proposals to invest in the business in the next few months.

Second and Third Floor Offices, Century House, Chapel Bar

Refurbishment works to the vacant second floor office suite are nearing completion and works to the third floor have commenced. Once completed the marketing particulars will be updated and the suites will be re-advertised. To complement this, work has been ordered to the entrance foyer which will include the updating of signage and removal of redundant notices together with new letter boxes.

Former Depot, 140 Vernon Road

Neighbourhood Services relocated to Woolsthorpe Close at the end of September 2013. The property is on the market and an encouraging level of interest has been shown by prospective occupiers.

Garage, 49 Hungerhill Road

Works are programmed to commence this month enabling this property to be connected to the mains sewer. Once the work is completed this property will be marketed; it is likely to attract strong interest from the motor trade.

14-16, Wheeler Gate

The Co-op Travel service has served notice to terminate its lease on the ground floor of 14-16 Wheeler Gate with effect from 31 January 2014. The move follows their merger with Thomas Cook. The passing rent is £100,000 per annum. Work has commenced to attract a new tenant and a planning application has been submitted to widen the user to include restaurant/cafes and financial/professional services.

95 Bracebridge Drive

The former housing office was let to Salvation Army Trading Company Ltd on a 10 year lease from November 2013 at a rental of £15,000 per annum. A rental incentive was granted.

Residential Sales

No.53 Shelton Road was sold at auction in November 2013 at a consideration of £65,000. There are just two residential properties left in the portfolio. No.14 Gorsey Road is now vacant and will go to auction as soon as works to a boundary wall have been completed. No.16 Gorsey Road is let on a 50 year lease to Family First.

Vacant Properties

As a result of the recent sales of 110-138, Mansfield Road and the Beck St/Convent St block the number of vacant properties within Bridge Estate has dropped to 9. Three of these are fire damaged units at Whitemoor Court; three more are undergoing improvements. The remaining three, Vernon Road Depot, the former Governors House (Shire Hall) and 14-16 Wheeler Gate, are being actively marketed.

2. OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

Not applicable as the report is for information only.

3. FINANCIAL IMPLICATIONS (INCLUDING VALUE FOR MONEY/VAT)

Not applicable.

4. RISK MANAGEMENT ISSUES (INCLUDING LEGAL IMPLICATIONS AND CRIME AND DISORDER ACT IMPLICATIONS)

None

5. EQUALITY IMPACT ASSESSMENT

Has the equality impact been assessed?

Not needed (report does not contain proposals or financial decisions)

No

Yes – Equality Impact Assessment attached

Due regard should be given to the equality implications identified in the EIA.

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

None

7. PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT

None

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