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NOTTINGHAM CITY COUNCIL **TRUSTS AND CHARITIES COMMITTEE**

Date: Friday, 27 February 2015

Time: 2.00 pm

Place: LB31-32 - Loxley House, Station Street, Nottingham, NG2 3NG

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



Acting Corporate Director for Resources

Governance Officer: Mark Leavesley **Direct Dial:** 0115 876 4302

AGENDA

Pages

- | | | |
|----------|---|---------|
| 1 | APOLOGIES FOR ABSENCE | |
| 2 | DECLARATIONS OF INTERESTS
If you need advice on declaring an interest, please contact the Governance Officer above, if possible before the day of the meeting | |
| 3 | MINUTES
Last meeting held on 28 November 2014 (for confirmation) | 3 - 8 |
| 4 | BRIDGE ESTATE, HARVEY HADDEN STADIUM AND HIGHFIELDS PARK TRUST - QUARTER 3 BUDGET MONITORING 2014/15
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| 5 | HARVEY HADDEN STADIUM TRUST AND HIGHFIELDS PARK TRUST BUDGET 2015/16
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| | (a) REVIEW OF ACCOUNTING POLICIES | 23 - 40 |
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9	PROPERTY EXCHANGE - 192 POPLAR STREET / 105 CARLTON ROAD Report of Director of Strategic Asset and Property Management	53 - 60
10	CENTURY HOUSE, CHAPEL BAR - REPLACEMENT OF BOILERS Report of Director of Strategic Asset and Property Management	61 - 62
11	DATES OF MEETINGS To note the cancellation of the meeting scheduled for 24 April 2015 and that the next meeting will (provisionally) take place on Friday 12 June 2015	
12	EXCLUSION OF THE PUBLIC To consider excluding the public from the meeting during consideration of the following item 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 outweighs the public interest in disclosing the information	
13	CENTURY HOUSE, CHAPEL BAR - REPLACEMENT OF BOILERS (EXEMPT APPENDIX)	63 - 64

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

CITIZENS ARE ADVISED THAT THIS MEETING MAY BE RECORDED BY MEMBERS OF THE PUBLIC. ANY RECORDING OR REPORTING ON THIS MEETING SHOULD TAKE PLACE IN ACCORDANCE WITH THE COUNCIL'S POLICY ON RECORDING AND REPORTING ON PUBLIC MEETINGS, WHICH IS AVAILABLE AT WWW.NOTTINGHAMCITY.GOV.UK. INDIVIDUALS INTENDING TO RECORD THE MEETING ARE ASKED TO NOTIFY THE GOVERNANCE OFFICER SHOWN ABOVE IN ADVANCE.

NOTTINGHAM CITY COUNCIL

TRUSTS AND CHARITIES COMMITTEE

MINUTES of the meeting held at LB31-32 - Loxley House, Station Street, Nottingham, NG2 3NG on 28 November 2014 from 14.00 - 15.18

Membership

Present

Absent

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

Colleagues, partners and others in attendance:

Richard Cox - Senior Estates Surveyor
Eddie Curry - Head of Parks and Open Spaces
Barry Dryden - Senior Finance Manager
Noel McMenamin - Governance Officer

24 APOLOGIES FOR ABSENCE

Malcolm Townroe – Head of Legal Services

25 DECLARATIONS OF INTERESTS

None.

26 MINUTES

The minutes of the meeting held on 17 September 2014 were agreed as a true record and they were signed by the Chair.

27 QUARTER 2 BUDGET MONITORING 2014-15: BRIDGE ESTATE, HARVEY HADDEN AND HIGHFIELDS TRUSTS

Barry Dryden, Senior Finance Manager, introduced the report of the Acting Corporate Director of Resources, providing an update on the financial position of the Bridge Estate, Harvey Hadden and Highfields Trusts for Quarter 2 of 2014/15. He highlighted the following points:

- (a) Bridge Estate currently has a surplus of £608, which will go to the unearmarked reserve at the end of the financial year if unused;

- (b) the allocation to the repairs and maintenance reserve has been increased to £72,000 to build up reserves to address future need, especially the programme of repairs to Trent Bridge scheduled for 2017/18;
- (c) there is a potential shortfall of £1.2 million capital receipts, on the basis that further capital expenditure at Woolsthorpe Close is approved at a future meeting;
- (d) the shortfall reflects the capital receipts arising from residential property sales against the expected expenditure at Woolsthorpe Close. The investment at Woolsthorpe Close will give the Trust a more valuable, income-generating asset.

During discussion, the Committee made the following comments:

- (e) the Committee requested a comprehensive report at its next meeting on the management regime in place for Trent Bridge, and the expenditure required to carry out a range of improvements. Issues to cover in the report included the inspection regime, the 2017/18 painting contract, the lighting (including electrical supply to the ornamental lighting), the stonework and carvings, paving improvements and the street cleansing regime for the bridge;
- (f) While Highway design colleagues are expected to lead on the report, input from the Urban Design will also be required;
- (g) the different elements of improvement work to the bridge (painting, electrical supply, ornamental lights, paving) should be co-ordinated where possible under a composite contract. In view of the specialist nature of elements of the work, the Committee asked for confirmation on whether contracts will go through a normal competitive tendering process;
- (h) there was agreement that York Stone paving is the preferred material for the bridge footpath;
- (i) councillors also requested a range of options, with costings, to consider in respect of lighting, stonework, painting and footpath improvements to the bridge;
- (j) Richard Cox, Senior Estates Surveyor, confirmed that Property colleagues are active in identifying new, sound, growing, non-residential investment opportunities;
- (k) the Committee noted the updates for Harvey Hadden and Highfields Trusts without discussion.

RESOLVED to

- (1) note the forecast out-turns for the Bridge Estate, Harvey Hadden and Highfields trusts for 2014/15;**

- (2) **request that the Director of Planning and Transport co-ordinates and submits a report on Trent Bridge maintenance and improvement to the February 2015 meeting of the Committee, addressing the points at minute 27(e)-(i) above.**

28 HIGHFIELDS PARK LEISURE TRUST - RELEASE OF ADDITIONAL DOWRY FUNDS

Eddie Curry, Head of Parks and Open Spaces, introduced a report of the Corporate Director of Communities, seeking authority and support to release £100,00 capital funding currently held within the Highfields Park Leisure Trust dowry to match a bid to the Heritage Lottery Fund to make improvements to the park. Mr Curry made the following points:

- (a) the Committee has previously approved the use of £400,000 of the Highfields Trust dowry to match and apply for Heritage Lottery Fund (HLF) support for improvements to the park – see minute 27(1) and (2) dated 24 February 2012;
- (b) the previous approval enabled the Parks Service to produce a business case and obtain Stage One lottery approval. A Stage Two bid was submitted in September 2014 and a final decision on the funding is expected in December 2014;
- (c) the release of a further £100,000 is requested to cover the match-funding of higher construction, materials and engineering costs arising since the original business case was prepared;
- (d) the release of dowry funds is the only funding stream available to cover the shortfall at the present time, and using the dowry in this way represents a high return on investment as it unlocks matching funding. The dowry attracts a very low interest return – the £100,000 attracts interest of just £500;
- (e) the Charity Commission has already indicated that it is willing to sign off the release.

A number of points were raised during discussion:

- (f) Mr Curry explained that the Charity Commission needs oversight of the release to make sure that it is being used for park improvements and not day-to-day operational costs;
- (g) He also explained that opportunities to invest the remaining dowry were limited to more secure investments, meaning lower income. The dowry could potentially be used for maintenance costs but would need a very rigorous business case. Mr Curry indicated that he would take proposals on alternative uses of the remaining dowry money to a future committee meeting;
- (h) using the dowry to secure HLF funding represented a strong return on investment and will in time create income generation opportunities for the park;

- (i) Mr Curry expressed his thanks to the Committee for their continued support for the HLF bid process.

RESOLVED to

- (1) approve the release of £100,000 from the Highfields Park Leisure Trust dowry to be used as match funding for a Heritage Lottery Fund bid for a programme of improvements to Highfields Park;**
- (2) delegate authority to the Director of Sports, Culture and Parks to enter into discussion with the Charity Commission to formally approve the release and use of the Highfields Park Leisure Trust dowry fund;**
- (3) request the Director of Sports, Culture and Parks to present alternative investment proposals for the remaining dowry funds to a future meeting of the Committee.**

29 BRIDGE ESTATE PROPERTY PORTFOLIO UPDATE

Richard Cox, Senior Estates Surveyor, introduced the report, providing an update on Bridge Estate property portfolio issues arising since the Committee's September 2014 meeting. Mr Cox highlighted the following points:

- (a) Old Coach Road: tree works have been completed and residents had expressed their thanks. Mr Cox explained that the road formed part of a larger farm acquisition in the 1930s and the road was the main point of access. Over time, development permissions were granted but the Bridge Estate is still formally responsible as the road has never been formally adopted;
- (b) Painting of parapets, Trent Bridge: work on painting the pavement side of the parapets on Trent Bridge has commenced. Progress depends on weather conditions but a base coat is already in place, giving protection against winter conditions;
- (c) Cattle Market, off Meadow Lane: the rent review for the auction centre is going to independent arbitration and a decision is expected in early 2015. It is hoped that there will be an uplift in current rental levels;
- (d) Whitemoor Court: tender documentation for the reinstatement works at units 22, 23 and 24 Whitemoor Court is being prepared by Legal colleagues. Work on improving boundary fencing has been completed – this is funded from the Chamber Estate, which is responsible for the majority of the units on-site;
- (e) Century House: Robin Hood Energy is scheduled to occupy Floors 2 and 3 from January 2015, making the building fully occupied;
- (f) 14 Gorsey Road: the property is to be auctioned on 4 December 2014.

During discussion, the following issues were raised and points made:

- (g) the roundels on Trent Bridge will be painted a single colour on this occasion, but will be restored to their original colours during the major improvement programme for Trent Bridge scheduled for 2017/18;
- (h) Mr Cox confirmed that reinstating the fire-damaged units at Whiteoor Court is expected to be complete by July 2015, and that the Museums Service has expressed an interest in 2 of the units;
- (i) 14 Gorse Road has a guide price of £150,000 and has been vacant for more than a year;
- (j) in response to a councillor's question, Mr Cox indicated that he was not aware of a Bridge Estate property on Queen Street.

RESOLVED to note the update.

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TRUSTS AND CHARITIES COMMITTEE – 27 February 2015

Title of paper:	Bridge Estate, Harvey Hadden Stadium and Highfields Park Trust - Quarter 3 Budget Monitoring 2014/15	
Corporate Director:	Glen O'Connell Acting Corporate Director of Resources	Wards affected: All
Report author and contact details:	Barry Dryden, Senior Finance Manager Barry.dryden@nottinghamcity.gov.uk 0115 8762799	
Other colleagues who have provided input:	Georgina Lewis, Finance Analyst Steve Ross, Finance Analyst Tracy White, Senior Finance Assistant	
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 2014/15 Bridge Estate, Highfields Leisure Park Trust and Harvey Hadden Stadium Trust, based on the third quarter's budget monitoring.		
Recommendation:		
1	That the forecast outturn for Bridge Estate, Highfields Leisure Park Trust and Harvey Hadden Stadium Trust for 2014/15 be noted.	

1. 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 Charities and therefore allows any appropriate decisions or actions to be taken in their role as Trustee.

2. REASONS FOR RECOMMENDATIONS

As Trustee, the Council has responsibility for making recommendations on the management of the Charities. The budget is a key part of the framework for the financial management of the trusts and any subsequent recommendations.

3. **FINANCIAL ANALYSIS – QUARTER 3 BUDGET MONITORING/FORECAST 2013/14**

BRIDGE ESTATE - REVENUE

The forecast outturn for 2014/15 is detailed in **Table 1**. The forecast is based on the income and expenditure to December together with anticipated future income and expenditure to the year end.

Table 1: Bridge Estate Qtr3			
	Updated Budget 2014/15 £	Forecast 2014/15 £	(Under)/ Over Spend 2014/15 £
External Income	(2,159,820)	(2,130,242)	29,578
Expenditure:			
Premises	208,950	201,850	(7,100)
Supplies and Services	41,330	65,330	24,000
Support Services	133,810	133,810	0
Bridge Maintenance	50,830	50,830	0
Interest on Borrowing	97,970	97,970	0
Total Expenditure	532,890	549,790	16,900
Surplus before NCC Grant	(1,626,930)	(1,580,452)	46,478
Less Grant to NCC	1,545,000	1,498,522	(46,478)
Net Surplus	(81,930)	(81,930)	0
Contribution to Funds/Reserves			
Repairs and Renewal Funds	21,170	21,170	0
Un-Earmarked Reserve	60,760	60,760	0
Unallocated Surplus	0	0	0

Current projections indicate that there will be an underachievement of £46,478 against the budgeted surplus. Projected variances against individual budget lines are explained below.

- **Income (£29,578 shortfall)** – £13,000 of the shortfall is primarily due to voids and rent free tenancies at Century House. £6,000 of the shortfall relates to voids at Wheeler Gate (Formerly occupied by the Co-op). £8,000 relates to two properties at Hungerhill Road which the Trust has been unable to let. The balance of £2,578 relates to write off of service charge income at Century House.
- **Premises (£7,100 underspend)** – There is an underspend of £15,500 on maintenance costs at Woolsthorpe Close now that it is fully let. In addition there have been savings of £2,000 on business rates due to Century House lettings. This has been partly offset by the cost of tree works at Old Coach Road amounting to £10,400.

- **Supplies and Services (£24,000 overspend)** – This relates to the net write off of bad debt in relation to Whitemoor Court.

BRIDGE ESTATE – CAPITAL

Appendix 1 shows the current projected position on Bridge Estate Capital Receipts, and the use of those receipts for capital financing. Note that future capital expenditure at Woolsthorpe Close is subject to approval and a report will be submitted to a future meeting. The appendix indicates that there will be a shortfall in available funding in 2015-16 of £797,136 and that by 31 March 2017 the revised property portfolio will be generating net additional income of £155,227 after loan repayments.

The Trust also holds non-property investments of £602,297, which may be realised to help meet the funding shortfall, leaving a balance of £194,839. This shortfall could notionally be covered by a loan, however, the exact timing and amount of the loan will be determined by treasury management considerations such as the timing of the use of reserves, and payment of creditors together with any further capital receipts. The non-property investments held are as follows:

**Table 2: Bridge Estate Investments
@ 31 March 2014**

	£
COIF Accumulation Units	331,269
NCC loans	269,643
Government Stocks	1,385
TOTAL	602,297

The Trust has also established a separate reserve for the repair of Trent Bridge. An annual contribution to the reserves of £72,000 is planned to generate funding for the repainting of the Bridge in 2018/19. The reserve position is as follows:

Table 3: Trent Bridge Repairs Reserve

	£
Balance at 31 March 2014	266,780
Projected Contribution 2014/15	72,000
Transfer from Residential Repairs Fund	44,833
Drawdown of reserve in 2014/15 for ornamental lighting and paintwork	(50,830)
Projected Balance at 31 March 2015	332,783

HARVEY HADDEN STADIUM TRUST

Table 4: Harvey Hadden Stadium Qtr 3

	Updated Budget 2014/15 £	Forecast 2014/15 £	(Under)/ Over Spend 2014/15 £
Income - Rents	10,630	5,500	5,130
Expenditure:			
Grounds Maintenance	102,410	42,000	(60,410)
Utilities	23,010	23,010	0
Building repairs	6,870	34,256	27,386
Total Expenditure	132,290	99,266	(33,024)
Net Deficit before NCC Grant	121,660	93,766	(27,894)
Less NCC Grant	121,660	93,766	27,894
NET (INCOME)/EXPENDITURE	0	0	0

Projected variances against budget are explained below:

- Income and grounds maintenance and building repair costs have been affected by the major building works that started in July 2014 reducing the estimated net deficit by £27,894.
- The grant from NCC will be reduced by £27,894 to match the net under spend. There will be no saving to the City Council as the staff and equipment has been temporary redeployed within the Parks and Open Space Service.

HIGHFIELDS LEISURE PARK TRUST

Table 5: Highfields Park Qtr 3

	Updated Budget 2014/15 £	Forecast 2014/15 £	(Under)/ Over Spend 2014/15 £
Income:			
Investment Income	4,630	4,630	0
Fees and Charges	52,170	56,000	(3,830)
Rents	43,630	43,630	0
Concessions	24,210	23,500	710
Total Income	124,640	127,760	(3,120)
Expenditure:			
Grounds Maintenance	197,690	197,690	0
Utilities	24,910	4,910	(20,000)
Building repairs	3,270	5,000	1,730
Total Expenditure	225,870	207,600	(18,270)
Net Deficit before NCC Grant	101,230	79,840	(21,390)
Less NCC Grant	101,230	79,840	21,390
NET (INCOME)/EXPENDITURE	0	0	0

Projected variances against budget are explained below:

- Increased boating income due to the good summer.
- Refund of overpayment of electricity charges re: Grounds man's Hut.
- The grant from NCC will be reduced by £21,390 to match the net under spend.

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

None

6. EQUALITY IMPACT ASSESSMENT

None

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

APPENDIX 1

Bridge Use of Capital Receipts 2013-14 to 2014/15			Net Revenue Impact of sales & acquisitions					
Year			£	£	2013/14	2014/15	2015/16	2016/17
2014/15		Opening Balance 1.4.14		-1,568,017				
		Anticipated Receipts 2014/15						
	Sales	14 Gorsey Road	-160,000		0	0	0	0
				-160,000				
		Total Expected Receipts		-1,728,017				
		Use of Receipts 2014/15						
	Loan Repayment	Principal Repayment part from revenue and part from capital receipts in 2014/15		135,390				
	Capital Works	Capitalised Repairs	18,232		0	0	0	0
		Woolsthorpe Close refurbishment for letting to Communities (Slippage from 13-14)	41,431	59,663				
		Total anticipated Capital Expenditure 2014/15		195,053	0	0	0	0
		Anticipated Unused Capital Receipts at 31.3.15		-1,532,964	-32,465	-62,068	-62,068	-62,068
2015/16		Opening Balance 1.4.15		-1,532,964				
		Anticipated Receipts 2015/16						
	Sales				0	0	0	0
		Total Expected Receipts		-1,532,964				
		Use of Receipts 2014/15						
	Acquisitions							
	Loan Repayment	Principal Repayment part from revenue and part from capital receipts in 2015/16		130,100				
	Capital Works	Woolsthorpe Close refurbishment for letting to NCH		2,200,000	0	0	0	-154,000
		Total anticipated Capital Expenditure 2015/16		2,330,100	0	0	0	-154,000
		Anticipated loan to cover shortfall re Woolsthorpe Close refurbishment for NCH letting		-797,136	0	0	0	60,841
		Anticipated Unused Capital Receipts at 31.3.16		0	-32,465	-62,068	-62,068	-155,227
					Net additional Income			

Trust and Charities Committee - 27 February 2015

Title of paper:	Harvey Hadden Stadium Trust and Highfields Park Trust Budget 2015/16	
Corporate Director:	Glen O’Connell Acting Corporate Director of Resources	Wards affected: All
Report author and contact details:	Barry Dryden, Senior Finance Manager Barry.dryden@nottinghamcity.gov.uk 0115 8762799	
Other colleagues who have provided input:	Steve Ross, Finance Analyst Tracy White, Senior Finance Assistant	
Relevant Council Plan Strategic Priority:		
World Class Nottingham		X
Work in Nottingham		X
Safer Nottingham		X
Neighbourhood Nottingham		X
Family Nottingham		X
Healthy Nottingham		X
Leading Nottingham		
Summary of issues (including benefits to citizens/service users):		
This report details the Harvey Hadden Stadium Trust and Highfields Trust budget for 2015/16.		
Recommendation(s):		
1	That the 2015/16 Budgets be approved subject to confirmation of the City Council’s contribution, which will be approved as part of the City Council’s 2015/16 budget.	

1. BACKGROUND

The Trustees have responsibility for making recommendations on the management of the Charities. The budget is a key part of the framework for the financial management of the Trusts and is used to measure the performance of the Trusts over the financial year.

2. PROPOSAL

The 2015/16 budgets for Highfields Leisure Park Trust and Harvey Hadden Stadium Trust have been drafted, after applying inflation, where appropriate, in line with the inflation rates used by the City Council. However, the City Council's grant contribution has not yet been agreed. The budgets are set out below:

Table 1 : Highfields Leisure Park - 2015/16 Budget			
	Updated Budget 2014/15	Changes 2015/16	Budget 2015/16
	£	£	£
External Income	(124,640)	(1,080)	(125,720)
Expenditure			
Grounds Maintenance	197,690	3,420	201,110
Utilities	24,910	1,450	26,360
Building Repairs	3,270	30	3,300
Total Expenditure	225,870	4,900	230,770
Net Loss before NCC Grant	101,230	3,820	105,050
NCC Grant	101,230	3,820	105,050
NET INCOME/EXPENDITURE	0	0	0

- There have been no other amendments to the budget for Highfields Leisure Park

Table 2: Harvey Hadden Stadium - 2015/16 Budget			
	Updated Budget 2014/15	Changes 2015/16	Budget 2015/16
	£	£	£
External Income	(10,630)	(12,370)	(23,000)
Expenditure:			
Grounds Maintenance	102,410	(20,000)	82,410
Utilities	23,010	1,840	24,850
Building Repairs	6,870	60	6,930
Total Expenditure	132,290	(18,100)	114,190
Net Loss before NCC Grant	121,660	(30,470)	91,190
NCC Grant	121,660	(30,470)	91,190
NET INCOME/EXPENDITURE	0	0	0

Additional movements between the 2014/15 and 2015/16 budgets relate to:

- Harvey Hadden stadium will be closed for the first two months for improvement works and will be used for the Cerebral Palsy Games in June/July. When all works are complete it is estimated that the site will received income in excess of £26,000.
- Efficiency measures have reduced Grounds Maintenance costs.

3. **REASONS FOR RECOMMENDATIONS (INCLUDING OUTCOMES OF CONSULTATION)**

None

4. **OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS**

None

5. **FINANCIAL IMPLICATIONS (INCLUDING VALUE FOR MONEY)**

None

6. **RISK MANAGEMENT ISSUES (INCLUDING LEGAL IMPLICATIONS, CRIME AND DISORDER ACT IMPLICATIONS AND EQUALITY AND DIVERSITY IMPLICATIONS)**

None

7. **EQUALITY IMPACT ASSESSMENTS (EIAs)**

None

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

None

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

Annual Accounts 2013/14
Accounts and Audit regulations 2011

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TRUSTS AND CHARITIES COMMITTEE – 27 February 2015

Title of paper:	Bridge Estate Trust - Budget 2015/16	
Corporate Director:	Glen O'Connell Acting Corporate Director for Resources	Wards affected: All
Report author 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	
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 Budget for 2015/16 for approval		
Recommendation:		
1	That the 2015/16 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)

BUDGET 2015/16

The preparation of the Bridge Estate budget for 2015/16 is set out in **Table 1** and shows an anticipated surplus of £1,701,480 before the grant awarded to NCC:

Table 1: Bridge Estate 2015/16 Budget			
	Budget 2014/15	Changes	Budget 2015/16
	£	£	£
External Income	(2,159,820)	(22,270)	(2,182,090)
Expenditure:			
Premises Costs	208,950	(9,470)	199,480
Supplies & Services	41,330	560	41,890
Support Services	133,810	5,750	139,560
Bridge Maintenance	50,830	(43,830)	7,000
Interest on Borrowing	97,970	(5,290)	92,680
Total Expenditure	532,890	(52,280)	480,610
Surplus before NCC Grant	(1,626,930)	(74,550)	(1,701,480)
Less Grant to NCC	1,545,000	0	1,545,000
Net Surplus	(81,930)	(74,550)	(156,480)
Net Contribution to Reserves:			
Repairs and Renewal Funds	21,170	43,830	65,000
Un-earmarked Reserve	60,760	30,720	91,480
Unallocated Surplus	0	0	0

The overall movements between the 2014/15 and 2015/16 budgets relate to:

- Inflation, which has been applied, where appropriate, in line with the inflation rates used by NCC.
- Rent income has increased now Century House is fully let. Income should also increase at Wheeler Gate in future years.
- Premises costs in 2015-16 are envisaged to be lower than 2014-15 as the tenants at Woolsthorpe Close will be responsible for their own bills, following the installation of water meters. This reduction has been partly offset by the introduction of an annual budget of £5,000 for tree works, which is the subject of a separate report on this agenda.

- Support Services costs have increased slightly for Finance and East Midlands Shared Services costs based on the corporate methodology for charging for these services.
- The 2014/15 budget has been updated to reflect the work being carried out on the maintenance of the ornamental lighting and paintwork on the interior of the balustrades. The paintwork is due to be completed in 2015/16 at a further cost of £7,000.
- Interest on borrowing has reduced in line with the schedule of repayments on the loan for the acquisition of Lister Gate in 2012/13.

Grant to Nottingham City Council

- The table above indicates that the 2015/16 budgeted surplus before NCC grant is £1,701,480. The grant awarded to NCC remains at the same level as 2014-15 which allows the Trust to set contributions to reserves as indicated below.

Contributions to Reserves

It is proposed that the net surplus is used as follows:

- **Contribution to Repairs and Renewals Fund (£65,000)** – Trent Bridge is due to be fully repainted during 2018. The cost of the repainting and other maintenance costs is expected to be around £600,000. If contributions are maintained at £72,000 between 2015/16 and 2018/19, then the reserve will be sufficient to meet this cost.

Completion of the balustrade paintwork in 2015/16 is expected to cost around £7,000 reducing the net contribution in 2015/16 to £65,000

The table below shows the funding that will be available by 2018/19:

Table 2: Trent Bridge Repairs and Renewals Fund	
	£
Balance at 31 March 2014	266,780
Projected Contribution 2014/15	72,000
Transfer from Residential Repairs Fund	44,833
Drawdown of reserve in 2014/15 for ornamental lighting and paintwork	(50,830)
Projected Balance at 31 March 2015	332,783
Net Contribution 2015/16	65,000
Contribution 2016/17	72,000
Contribution 2017/18	72,000
Contribution 2018/19	72,000
Available Funding 2018/19	613,783

- **Contribution to Un-earmarked Reserve (£91,480)** – An un-earmarked reserve was established for 2014/15 onwards 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 the reserve, increasing the reserve to £152,240.

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

None.

6. **EQUALITY IMPACT ASSESSMENT**

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**

Budget and final account working papers.

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

None.

Trust and Charities Committee - 27 February 2015

Title of paper:	CHARITIES – REVIEW OF ACCOUNTING POLICIES	
Corporate Directors:	Glen O’Connell Acting Corporate Director of Resources	Wards affected: All
Report author and contact details:	Barry Dryden, Senior Finance Manager Barry.dryden@nottinghamcity.gov.uk 0115 8762799	
Other colleagues who have provided input:	Tracy White, Senior Finance Assistant	
Relevant Council Plan Strategic Priority:		
World Class Nottingham		X
Work in Nottingham		X
Safer Nottingham		X
Neighbourhood Nottingham		X
Family Nottingham		X
Healthy Nottingham		X
Leading Nottingham		
Summary of issues (including benefits to citizens/service users):		
This report provides a set of Charity Commission compliant accounting policies for the 2014/15 financial statements for the Bridge Estate, Harvey Hadden Stadium and Highfields Leisure Park Trust.		
Recommendation:		
1	That the Committee approve the accounting policies for the Bridge Estate (appendix 1), Harvey Hadden Stadium (appendix 2) and Highfields Leisure Park Trust (appendix 3), all for inclusion in the 2014/15 Annual Report.	

1. BACKGROUND

The City Council’s responsibilities as trustees of charities are carried out by the Trusts and Charities Committee. Depending upon the size of the charity the Charities Commission requires different levels of reporting. The City Council is trustee for three charities which require a formal Annual Report and Accounts, including a statement of accounting policies. These charities are the Bridge Estate, Harvey Hadden Stadium and Highfields Leisure Park Trust.

2. PROPOSAL

The accounting policies for Bridge Estate, Highfields Leisure Park Trust and Harvey Hadden Stadium have been fully reviewed for 2014/15 and minor changes have been made with regards to the financial year end dates. The minor changes that have been made are in accordance with the Charity Commission’s Statement of Recommended Practice (SORP). The Committee is asked to approve the accounting policies for inclusion in the 2014/15 annual reports.

3. **REASONS FOR RECOMMENDATIONS (INCLUDING OUTCOMES OF CONSULTATION)**

Accounting policies are required to be included in the charities annual report, in accordance with the Charity Commission's Statement of Recommended Practice (SORP).

4. **OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS**

None

5. **FINANCIAL IMPLICATIONS (INCLUDING VALUE FOR MONEY)**

None

6. **RISK MANAGEMENT ISSUES (INCLUDING LEGAL IMPLICATIONS, CRIME AND DISORDER ACT IMPLICATIONS AND EQUALITY AND DIVERSITY IMPLICATIONS)**

None

7. **EQUALITY IMPACT ASSESSMENTS (EIAs)**

None

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

None

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

Annual Accounts 2013/14;
Accounts and Audit regulations 2011;
Charities Act 2011;
The Charities (Accounts and Reports) Regulations 2008;
Statement of Recommended Practice: Accounting by Charities (the Charities SORP) issued in 1995 and revised October 2005.

Review of Bridge Estate Accounting Policies 2014/15

Accounting Policies 2013/14	Suggested Accounting Policies 2014/15 (amendments from 2013/14 in bold)	Charities: SORP 2005 (paragraph reference)
<p>General Principles The Annual Report summaries the Bridge Estate transactions for 2013/14 financial year together with its financial position at 31 March 2014.</p> <p>This section explains the accounting policies applied in producing the Annual Report for the Bridge Estate.</p> <p>Accounting policies are the principles, bases, conventions and rules by which transactions are recognised, measured and presented in the accounts.</p>	<p>General Principles The Annual Report summaries the Bridge Estate transactions for 2014/15 financial year together with its financial position at 31 March 2015.</p> <p>This section explains the accounting policies applied in producing the Annual Report for the Bridge Estate.</p> <p>Accounting policies are the principles, bases, conventions and rules by which transactions are recognised, measured and presented in the accounts.</p>	357
<p>Basis of preparation The Annual Report has been prepared in accordance with the Charities Act 2011 and applicable regulations and “Accounting and Reporting by Charities: Statement of Recommended Practice”, issued by the Charities Commission in February 2005 (The Charities SORP).</p> <p>The accounts have been prepared in accordance with the historic cost basis of accounting, except for investment properties which have been included at revalued amounts.</p> <p>Compliance with the Charities SORP and the adoption of accounting standards and principles issued or adopted by the Accounting Standards Board ensures that the accounts show “a true and fair view” of transactions during the year and the financial position of the Bridge Estate at the year end.</p>	<p>Basis of preparation The Annual Report has been prepared in accordance with the Charities Act 2011 and applicable regulations and “Accounting and Reporting by Charities: Statement of Recommended Practice”, issued by the Charities Commission in February 2005 (The Charities SORP).</p> <p>The accounts have been prepared in accordance with the historic cost basis of accounting, except for investment properties which have been included at revalued amounts.</p> <p>Compliance with the Charities SORP and the adoption of accounting standards and principles issued or adopted by the Accounting Standards Board ensures that the accounts show “a true and fair view” of transactions during the year and the financial position of the Bridge Estate at the year end.</p>	358

<p>Incoming Resources</p> <p>Income receipts are accrued and accounted for in the period to which they relate. Payments received in advance are recognised as a liability on the balance sheet within creditors.</p> <p>Rental income is recorded when the invoices are raised and become due for payment.</p>	<p>Incoming Resources</p> <p>Income receipts are accrued and accounted for in the period to which they relate. Payments received in advance are recognised as a liability on the balance sheet within creditors.</p> <p>Rental income is recorded when the invoices are raised and become due for payment.</p>	362
<p>Resources Expended</p> <p>All expenditure is accrued and accounted for in the period during which they are consumed or received. Accruals have been made for all material sums unpaid at the year end for goods or services received or work completed. Receipts received in advance are recognised as an asset on the balance sheet within debtors.</p> <p><u>Cost of Generating Funds</u></p> <p>Investment management costs mainly relate to premises expenses. These are initially charged against the Endowment Fund in the Statement of Financial Activities (SOFA), as recommended in the Charities SORP, but transferred to Unrestricted Funds within Gross Transfer Between Funds.</p> <p><u>Charitable Activities</u></p> <p>The net expenditure or income of the Bridge Estate is transferred to the Nottingham City Council's General Fund for the benefit of the citizens of Nottingham.</p> <p><u>Governance Costs</u></p> <p>Governance costs include the costs of governance arrangements, which relate to the general running of the charity, as opposed to direct management functions inherent in generating funds, service delivery and programme. These activities provide the governance infrastructure which allows the charity to operate and to generate the information required for public accountability.</p>	<p>Resources Expended</p> <p>All expenditure is accrued and accounted for in the period during which they are consumed or received. Accruals have been made for all material sums unpaid at the year end for goods or services received or work completed. Receipts received in advance are recognised as an asset on the balance sheet within debtors.</p> <p><u>Cost of Generating Funds</u></p> <p>Investment management costs mainly relate to premises expenses. These are initially charged against the Endowment Fund in the Statement of Financial Activities (SOFA), as recommended in the Charities SORP, but transferred to Unrestricted Funds within Gross Transfer Between Funds.</p> <p><u>Charitable Activities</u></p> <p>The net expenditure or income of the Bridge Estate is transferred to the Nottingham City Council's General Fund for the benefit of the citizens of Nottingham.</p> <p><u>Governance Costs</u></p> <p>Governance costs include the costs of governance arrangements, which relate to the general running of the charity, as opposed to direct management functions inherent in generating funds, service delivery and programme. These activities provide the governance infrastructure which allows the charity to operate and to generate the information required for public accountability.</p>	363

Direct costs include external audit fees, valuation fees and costs associated with trustee meetings and preparing statutory accounts.	Direct costs include external audit fees, valuation fees and costs associated with trustee meetings and preparing statutory accounts.	
<p>Fixed Assets</p> <p><u>Investment properties</u> Investment properties are those used solely to earn rentals and/or for capital appreciation for the Bridge Estate. Investment properties are measured initially at cost. They are not depreciated but are revalued annually according to market conditions at year-end. Gains and losses on revaluation and on disposal are shown within the SOFA. However as revaluation and disposal gains and losses are not allowed by statute to impact on the financial activities of the Bridge Estate, they do not form part of the income and expenditure totals, but provide details within the SOFA of the movement on the Endowment Fund. Any sale proceeds are posted to the Endowment Fund.</p> <p>Where land or property is held as a community asset, dedicated for the enjoyment of the public in perpetuity, they are given a value of £NIL.</p> <p><u>Other investments</u> Other investments are included in the Balance Sheet at market value.</p> <p><u>Other recognised Gains/(losses)</u> The gains/(losses) on investment assets, represents the differences between proceeds received on disposals and their market value at the beginning of the year.</p> <p>The gains/(losses) on revaluation of investment assets represents material changes in property valuations.</p>	<p>Fixed Assets</p> <p><u>Investment properties</u> Investment properties are those used solely to earn rentals and/or for capital appreciation for the Bridge Estate. Investment properties are measured initially at cost. They are not depreciated but are revalued annually according to market conditions at year-end. Gains and losses on revaluation and on disposal are shown within the SOFA. However as revaluation and disposal gains and losses are not allowed by statute to impact on the financial activities of the Bridge Estate, they do not form part of the income and expenditure totals, but provide details within the SOFA of the movement on the Endowment Fund. Any sale proceeds are posted to the Endowment Fund.</p> <p>Where land or property is held as a community asset, dedicated for the enjoyment of the public in perpetuity, they are given a value of £NIL.</p> <p><u>Other investments</u> Other investments are included in the Balance Sheet at market value.</p> <p><u>Other recognised Gains/(losses)</u> The gains/(losses) on investment assets, represents the differences between proceeds received on disposals and their market value at the beginning of the year.</p> <p>The gains/(losses) on revaluation of investment assets represents material changes in property valuations.</p>	364

<p>Accruals of Expenditure and Income</p> <p>The accounts of the Bridge Estate are maintained on an accruals basis. This means that sums due to or from the Bridge Estate during the year are included whether or not the cash has actually been received or paid in the year. Where income and expenditure has been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the balance sheet. Cash received or paid and not yet recognised as income or expenditure is shown as a creditor (receipt in advance) or debtor (payment in advance) in the balance sheet and the SOFA adjusted accordingly.</p> <p>Fees, charges and rents due from customers are accounted for as income at the date that the Bridge Estate provides the associated goods or services. This policy is not followed for certain quarterly payments, including gas and electricity, where expenditure is recorded at the date of meter reading rather than being apportioned between financial years. This policy is consistently applied each year and, therefore, does not have a material effect on the year's accounts.</p> <p>Where it is doubtful that a debt will be settled, the balance of debtors is written down and a charge made to the SOFA for the income that might not be collected. This bad debt provision is offset against the debtor balance on the balance sheet. In many cases, the value to be entered in respect of accrued transactions will be certain. In others, this value has to be estimated and reference is then made to past transactions and trends in order to determine the likely value.</p>	<p>Accruals of Expenditure and Income</p> <p>The accounts of the Bridge Estate are maintained on an accruals basis. This means that sums due to or from the Bridge Estate during the year are included whether or not the cash has actually been received or paid in the year. Where income and expenditure has been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the balance sheet. Cash received or paid and not yet recognised as income or expenditure is shown as a creditor (receipt in advance) or debtor (payment in advance) in the balance sheet and the SOFA adjusted accordingly.</p> <p>Fees, charges and rents due from customers are accounted for as income at the date that the Bridge Estate provides the associated goods or services. This policy is not followed for certain quarterly payments, including gas and electricity, where expenditure is recorded at the date of meter reading rather than being apportioned between financial years. This policy is consistently applied each year and, therefore, does not have a material effect on the year's accounts.</p> <p>Where it is doubtful that a debt will be settled, the balance of debtors is written down and a charge made to the SOFA for the income that might not be collected. This bad debt provision is offset against the debtor balance on the balance sheet. In many cases, the value to be entered in respect of accrued transactions will be certain. In others, this value has to be estimated and reference is then made to past transactions and trends in order to determine the likely value.</p>	
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<p>Cash Cash is represented by deposits held within NCC's bank account on behalf of the Bridge Estate. A nominal interest is paid by NCC annually to the Bridge Estate for the average cash balance held. The interest is shown within the SOFA – Investment Income.</p>	<p>Cash Cash is represented by deposits held within NCC's bank account on behalf of the Bridge Estate. A nominal interest is paid by NCC annually to the Bridge Estate for the average cash balance held. The interest is shown within the SOFA – Investment Income.</p>	
<p>Funds of the Charity <u>Endowment fund</u> The capital of the Bridge Estate is held as a permanent endowment fund. There is no power to convert the capital into income; the fund must generally be held indefinitely.</p> <p><u>Unrestricted income fund</u> This fund has been established so that the cost of repairing Trent Bridge was spread out and does not impact on the finances of the Charity in a particular year. In 2006/07 an additional Renewal and Repairs Fund was set up to meet the cost of repairs to the housing stock held by the Bridge Estate. Annual contributions are made to the fund and repairs costs are charged to the Statement of Financial Activities (SOFA) in the year they are carried out, with transfers being taken from the fund.</p> <p>The income from the fund is unrestricted income but it is expendable at the discretion of the trustees in the furtherance of the charity's objectives.</p> <p><u>Unearmarked Reserve</u> The establishment of an unearmarked reserve in 2013/14 will allow the Trustees flexibility for unforeseen events, and to take advantage of other opportunities that may arise.</p>	<p>Funds of the Charity <u>Endowment fund</u> The capital of the Bridge Estate is held as a permanent endowment fund. There is no power to convert the capital into income; the fund must generally be held indefinitely.</p> <p><u>Unrestricted income fund</u> This fund has been established so that the cost of repairing Trent Bridge was spread out and does not impact on the finances of the Charity in a particular year. In 2006/07 an additional Renewal and Repairs Fund was set up to meet the cost of repairs to the housing stock held by the Bridge Estate. Annual contributions are made to the fund and repairs costs are charged to the Statement of Financial Activities (SOFA) in the year they are carried out, with transfers being taken from the fund.</p> <p>The income from the fund is unrestricted income but it is expendable at the discretion of the trustees in the furtherance of the charity's objectives.</p> <p><u>Unearmarked Reserve</u> The unearmarked reserve will allow the Trustees flexibility for unforeseen events, and to take advantage of other opportunities that may arise.</p>	<p>368</p>
<p>Going Concern The Annual Report is prepared on a going concern basis.</p>	<p>Going Concern The Annual Report is prepared on a going concern basis.</p>	

The following accounting policy notes, recognised by the Charity SORP, are not relevant to the Bridge Estate and will not be included within the Annual Report.

These are as follows:

1. pension costs and any pension asset or liability;
2. foreign exchange gains and losses;
3. treatment of exceptional items
4. treatment of finance and operating leases;
5. treatment of irrecoverable VAT.

Review of Highfields Leisure Park Trust Accounting Policies 2014/15

Accounting Policies 2013/14	Suggested Accounting Policies 2014/15 (amendments from 2013/14 in bold)	Charities: SORP 2005 (paragraph reference)
<p>General Principles</p> <p>The Annual Report summarises the Highfields Leisure Park transactions for 2013/14 financial year together with its financial position at 31 March 2014.</p> <p>This section explains the accounting policies applied in producing the Annual Report for the Highfields Leisure Park Trust.</p> <p>Accounting policies are the principles, bases, conventions and rules by which transactions are recognised, measured and presented in the accounts.</p>	<p>General Principles</p> <p>The Annual Report summarises the Highfields Leisure Park transactions for 2014/15 financial year together with its financial position at 31 March 2015.</p> <p>This section explains the accounting policies applied in producing the Annual Report for the Highfields Leisure Park Trust.</p> <p>Accounting policies are the principles, bases, conventions and rules by which transactions are recognised, measured and presented in the accounts.</p>	357
<p>Basis of preparation</p> <p>The accounts have been prepared in accordance with the Charities Act 2011 and applicable regulations and “Accounting and Reporting by Charities: Statement of Recommended Practice”, issued by the Charities Commission in February 2005 (The Charities SORP).</p> <p>The accounts have been prepared in accordance with the historic cost basis of accounting except for fixed assets which have been included at a notional amount.</p> <p>Compliance with the Charities SORP and the adoption of accounting standards and principles issued or adopted by the Accounting Standards Board ensures that the accounts show “a true and fair view” of transactions during the year and the financial position of the Highfields Leisure Park Trust at the year end.</p>	<p>Basis of preparation</p> <p>The accounts have been prepared in accordance with the Charities Act 2011 and applicable regulations and “Accounting and Reporting by Charities: Statement of Recommended Practice”, issued by the Charities Commission in February 2005 (The Charities SORP).</p> <p>The accounts have been prepared in accordance with the historic cost basis of accounting except for fixed assets which have been included at a notional amount.</p> <p>Compliance with the Charities SORP and the adoption of accounting standards and principles issued or adopted by the Accounting Standards Board ensures that the accounts show “a true and fair view” of transactions during the year and the financial position of the Highfields Leisure Park Trust at the year end.</p>	358

<p>Incoming Resources</p> <p>Income receipts are accrued and accounted for in the period to which they relate. Income received in advance is recognised as a liability on the balance sheet within creditors.</p> <p>Nottingham City Council funds the net expenditure of the Highfields Leisure Park Trust for the benefit of the citizens of Nottingham.</p>	<p>Incoming Resources</p> <p>Income receipts are accrued and accounted for in the period to which they relate. Income received in advance is recognised as a liability on the balance sheet within creditors.</p> <p>Nottingham City Council funds the net expenditure of the Highfields Leisure Park Trust for the benefit of the citizens of Nottingham.</p>	<p>362</p>
<p>Resources Expended</p> <p>All expenditure is accrued and accounted for in the period during which they are consumed or received. Accruals have been made for all material sums unpaid at the year end for goods or services received or work completed. Payments made in advance are recognised as an asset on the balance sheet within debtors.</p> <p><u>Charitable Activities</u></p> <p>These costs mainly relate to premises expenses, which includes day to day maintenance, grounds maintenance and patrol.</p> <p><u>Governance Costs</u></p> <p>All governance costs, including the administration of the trust are directly funded by the Council and are not shown in the trust accounts.</p>	<p>Resources Expended</p> <p>All expenditure is accrued and accounted for in the period during which they are consumed or received. Accruals have been made for all material sums unpaid at the year end for goods or services received or work completed. Payments made in advance are recognised as an asset on the balance sheet within debtors.</p> <p><u>Charitable Activities</u></p> <p>These costs mainly relate to premises expenses, which includes day to day maintenance, grounds maintenance and patrol.</p> <p><u>Governance Costs</u></p> <p>All governance costs, including the administration of the trust are directly funded by the Council and are not shown in the trust accounts.</p>	<p>363</p>

<p>Fixed Assets</p> <p><u>Freehold land and buildings</u></p> <p>The valuation of assets is a notional value that reflects the trusts perpetual covenant for general public access to and use of the park.</p> <p>As a notional value is used, depreciation and impairment reviews are not applicable.</p> <p><u>Investment assets</u></p> <p>This is the loan/investment, stated at market value, of Highfields Leisure Park Trust's capital receipts with the Council upon which interest (Bank of England base rate) is received. This interest is shown within the statement of financial activities – Investment Income.</p>	<p>Fixed Assets</p> <p><u>Freehold land and buildings</u></p> <p>The valuation of assets is a notional value that reflects the trusts perpetual covenant for general public access to and use of the park.</p> <p>As a notional value is used, depreciation and impairment reviews are not applicable.</p> <p><u>Investment assets</u></p> <p>This is the loan/investment, stated at market value, of Highfields Leisure Park Trust's capital receipts with the Council upon which interest (Bank of England base rate) is received. This interest is shown within the Statement of Financial Activities (SOFA) – Investment Income.</p>	<p>364</p>
<p>Accruals of Expenditure and Income</p> <p>The accounts of the Highfields Leisure Park Trust are maintained on an accruals basis. This means that sums due to or from the Highfields Leisure Park Trust during the year are included whether or not the cash has actually been received or paid in the year.</p> <p>Where income and expenditure has been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the balance sheet. Cash received or paid and not yet recognised as income or expenditure is shown as a creditor (receipt in advance) or debtor (payment in advance) in the balance sheet and the statement of financial activities adjusted accordingly.</p> <p>Where it is doubtful that a debt will be settled, the balance of debtors is written down and a charge made to the statement of financial activities for the income that might not be</p>	<p>Accruals of Expenditure and Income</p> <p>The accounts of the Highfields Leisure Park Trust are maintained on an accruals basis. This means that sums due to or from the Highfields Leisure Park Trust during the year are included whether or not the cash has actually been received or paid in the year.</p> <p>Where income and expenditure has been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the balance sheet. Cash received or paid and not yet recognised as income or expenditure is shown as a creditor (receipt in advance) or debtor (payment in advance) in the balance sheet and the SOFA adjusted accordingly.</p> <p>Where it is doubtful that a debt will be settled, the balance of debtors is written down and a charge made to the SOFA for the income that might not be collected. This bad debt</p>	

<p>collected. This bad debt provision is offset against the debtor balance on the balance sheet.</p> <p>In many cases the value to be entered in respect of accrued transactions will be certain. In others, this value has to be estimated and reference is then made to past transactions and trends in order to determine the likely value.</p>	<p>provision is offset against the debtor balance on the balance sheet.</p> <p>In many cases the value to be entered in respect of accrued transactions will be certain. In others, this value has to be estimated and reference is then made to past transactions and trends in order to determine the likely value.</p>	
<p>Cash</p> <p>This is represented by cash at bank which is held within the Council's bank account on behalf of the Highfields Leisure Park Trust charity and cash in hand.</p>	<p>Cash</p> <p>This is represented by cash at bank which is held within the Council's bank account on behalf of the Highfields Leisure Park Trust charity and cash in hand.</p>	
<p>Funds of the Charity</p> <p><u>Unrestricted fund</u></p> <p>A fund held on charitable trust for a purpose within the charity's objectives. The fund is equivalent to the notional value of the freehold land and buildings.</p> <p><u>Capital receipts</u></p> <p>Receipts in respect of the sale or lease of land and buildings held and invested pending expenditure on further purchases of land or property for investment purposes.</p>	<p>Funds of the Charity</p> <p><u>Unrestricted fund</u></p> <p>A fund held on charitable trust for a purpose within the charity's objectives. The fund is equivalent to the notional value of the freehold land and buildings.</p> <p><u>Restricted Funds</u></p> <p>Capital receipts in respect of the sale or lease of land and buildings held and invested pending expenditure on further purchases of land or property for investment purposes.</p>	368
<p>Going concern</p> <p>The Highfields Leisure Park Trust is considered a going concern for the foreseeable future.</p>	<p>Going Concern</p> <p>The Annual Report is prepared on a going concern basis.</p>	

The following accounting policy notes, recognised by the Charity SORP, are not relevant to Highfields Leisure Park Trust and will not be included in the Annual Report.

These are as follows:

1. pension costs and any pension asset or liability;
2. foreign exchange gains and losses;
3. treatment of exceptional items
4. treatment of finance and operating leases;
5. treatment of irrecoverable VAT.

Review of Harvey Hadden Stadium Trust Accounting Policies 2014/15

Accounting Policies 2013/14	Suggested Accounting Policies 2014/15 (amendments from 2013/14 in bold)	Charities: SORP 2005 (paragraph reference)
<p>General Principles</p> <p>The Annual Report summarises the Harvey Hadden Stadium transactions for 2012/13 financial year together with its financial position at 31 March 2013.</p> <p>This section explains the accounting policies applied in producing the Annual Report for the Harvey Hadden Stadium Trust.</p> <p>Accounting policies are the principles, bases, conventions and rules by which transactions are recognised, measured and presented in the accounts.</p>	<p>General Principles</p> <p>The Annual Report summarises the Harvey Hadden Stadium transactions for 2014/15 financial year together with its financial position at 31 March 2015.</p> <p>This section explains the accounting policies applied in producing the Annual Report for the Harvey Hadden Stadium Trust.</p> <p>Accounting policies are the principles, bases, conventions and rules by which transactions are recognised, measured and presented in the accounts.</p>	357
<p>Basis of preparation</p> <p>The accounts have been prepared in accordance with the Charities Act 2011 and applicable regulations and “Accounting and Reporting by Charities: Statement of Recommended Practice”, issued by the Charities Commission in February 2005 (The Charities SORP).</p> <p>The accounts have been prepared in accordance with the historic cost basis of accounting except for fixed assets which have been included at a notional amount.</p> <p>Compliance with the Charities SORP and the adoption of accounting standards and principles issued or adopted by the Accounting Standards Board ensures that the accounts show “a true and fair view” of transactions during the year and the financial position of the Harvey Hadden Stadium Trust at the year end.</p>	<p>Basis of preparation</p> <p>The accounts have been prepared in accordance with the Charities Act 2011 and applicable regulations and “Accounting and Reporting by Charities: Statement of Recommended Practice”, issued by the Charities Commission in February 2005 (The Charities SORP).</p> <p>The accounts have been prepared in accordance with the historic cost basis of accounting except for fixed assets which have been included at a notional amount.</p> <p>Compliance with the Charities SORP and the adoption of accounting standards and principles issued or adopted by the Accounting Standards Board ensures that the accounts show “a true and fair view” of transactions during the year and the financial position of the Harvey Hadden Stadium Trust at the year end.</p>	358

<p>Incoming Resources</p> <p>All receipts, for example rents, are accrued and accounted for in the period to which they relate. Income received in advance is recognised as a liability on the balance sheet within creditors.</p> <p>Income from Nottingham City Council funds the net expenditure of the Harvey Hadden Stadium Trust for the benefit of the citizens of Nottingham.</p>	<p>Incoming Resources</p> <p>Income receipts are accrued and accounted for in the period to which they relate. Income received in advance is recognised as a liability on the balance sheet within creditors.</p> <p>Nottingham City Council funds the net expenditure of the Harvey Hadden Stadium Trust for the benefit of the citizens of Nottingham.</p>	<p>362</p>
<p>Resources Expended</p> <p>All expenditure is accrued and accounted for in the period during which they are consumed or received. Accruals have been made for all material sums unpaid at the year end for goods or services received or work completed. Payments made in advance are recognised as an asset on the balance sheet within debtors.</p> <p><u>Charitable Activities</u></p> <p>These costs mainly relate to premises expenses, which includes day to day maintenance, grounds maintenance and patrol.</p> <p><u>Governance Costs</u></p> <p>Governance costs include the costs of governance arrangements, which relate to the general running of the charity, as opposed to direct management functions inherent in generating funds, service delivery and programme. These activities provide the governance infrastructure which allows the charity to operate and to generate the information required for public accountability. Direct costs would include items such as audit fees. All other governance costs, including the administration of the trust are directly funded by the Council i.e. these costs are not shown in the trust accounts.</p>	<p>Resources Expended</p> <p>All expenditure is accrued and accounted for in the period during which they are consumed or received. Accruals have been made for all material sums unpaid at the year end for goods or services received or work completed. Payments made in advance are recognised as an asset on the balance sheet within debtors.</p> <p><u>Charitable Activities</u></p> <p>These costs mainly relate to premises expenses, which includes day to day maintenance, grounds maintenance and patrol.</p> <p><u>Governance Costs</u></p> <p>Governance costs, including the administration of the trust are directly funded by the Council, and these costs are not shown in the trust accounts.</p>	<p>363</p>

<p>Fixed Assets</p> <p><u>Freehold land and buildings</u></p> <p>The valuation of assets is a notional value that reflects the trusts perpetual covenant for general public access to and use of the stadium.</p> <p>As a notional value is used, depreciation and impairment reviews are not applicable.</p>	<p>Fixed Assets</p> <p><u>Freehold land and buildings</u></p> <p>The valuation of assets is a notional value that reflects the trusts perpetual covenant for general public access to and use of the stadium.</p> <p>As a notional value is used, depreciation and impairment reviews are not applicable.</p>	<p>364</p>
<p>Accruals of Expenditure and Income</p> <p>The accounts of the Harvey Hadden Stadium Trust are maintained on an accruals basis. This means that sums due to or from the Harvey Hadden Stadium Trust during the year are included whether or not the cash has actually been received or paid in the year.</p> <p>Where income and expenditure has been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the balance sheet. Cash received or paid and not yet recognised as income or expenditure is shown as a creditor (receipt in advance) or debtor (payment in advance) in the balance sheet and the statement of financial activities adjusted accordingly.</p> <p>Where it is doubtful that a debt will be settled, the balance of debtors is written down and a charge made to the statement of financial activities for the income that might not be collected. This bad debt provision is offset against the debtor balance on the balance sheet.</p> <p>In many cases the value to be entered in respect of accrued transactions will be certain. In others, this value has to be estimated and reference is then made to past transactions and trends in order to determine the likely value.</p>	<p>Accruals of Expenditure and Income</p> <p>The accounts of the Harvey Hadden Stadium Trust are maintained on an accruals basis. This means that sums due to or from the Harvey Hadden Stadium Trust during the year are included whether or not the cash has actually been received or paid in the year.</p> <p>Where income and expenditure has been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the balance sheet. Cash received or paid and not yet recognised as income or expenditure is shown as a creditor (receipt in advance) or debtor (payment in advance) in the balance sheet and the statement of financial activities adjusted accordingly.</p> <p>Where it is doubtful that a debt will be settled, the balance of debtors is written down and a charge made to the statement of financial activities for the income that might not be collected. This bad debt provision is offset against the debtor balance on the balance sheet.</p> <p>In many cases the value to be entered in respect of accrued transactions will be certain. In others, this value has to be estimated and reference is then made to past transactions and trends in order to determine the</p>	

<p>Cash</p> <p>This is represented by cash at bank which is held within the Council's bank account on behalf of the Harvey Hadden Stadium Trust charity and cash in hand.</p>	<p>likely value.</p> <p>Cash</p> <p>This is represented by cash at bank which is held within the Council's bank account on behalf of the Harvey Hadden Stadium Trust charity and cash in hand.</p>	
<p>Funds of the Charity</p> <p><u>Unrestricted fund</u></p> <p>A fund held on charitable trust for a purpose within the charity's objectives. The fund is equivalent to the notional value of the freehold land and buildings.</p>	<p>Funds of the Charity</p> <p><u>Unrestricted fund</u></p> <p>A fund held on charitable trust for a purpose within the charity's objectives. The fund is equivalent to the notional value of the freehold land and buildings.</p>	
<p>Going concern</p> <p>The Harvey Hadden Stadium Trust is considered a going concern for the foreseeable future.</p>	<p>Going Concern</p> <p>The Annual Report is prepared on a going concern basis.</p>	

The following accounting policy notes, recognised by the Charity SORP, are not relevant to Harvey Hadden Stadium Trust and will not be included in the Annual Report.

These are as follows:

1. pension costs and any pension asset or liability;
2. foreign exchange gains and losses;
3. treatment of exceptional items
4. treatment of finance and operating leases;
5. treatment of irrecoverable VAT.

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Trust and Charities Committee - 27 February 2015

Title of paper:	CHARITIES – PUBLIC BENEFIT STATEMENTS 2014/15	
Corporate Director:	Glen O’Connell Acting Corporate Director of Resources	Wards affected: All
Report author and contact details:	Barry Dryden, Senior Finance Manager Barry.dryden@nottinghamcity.gov.uk 0115 8762799	
Other colleagues who have provided input:	Tracy White, Senior Finance Assistant	
Relevant Council Plan Strategic Priority:		
World Class Nottingham		X
Work in Nottingham		X
Safer Nottingham		X
Neighbourhood Nottingham		X
Family Nottingham		X
Healthy Nottingham		X
Leading Nottingham		
Summary of issues (including benefits to citizens/service users):		
This report provides revised public benefit statements for the Bridge Estate, Harvey Hadden Stadium Trust and Highfields Leisure Park Trust.		
Recommendation:		
1	That the Committee approve the public benefit statement for the Bridge Estate (appendix 1), Harvey Hadden Stadium (appendix 2) and Highfields Leisure Park Trust (appendix 3), all for inclusion in the 2014/15 Annual Report.	

1. BACKGROUND

The 2013/14 public benefit statements for the Bridge Estate Trust, Harvey Hadden Stadium Trust and Highfields Leisure Park Trust have been updated with appropriate minor changes for the 2014/15 statements. The Committee is asked to review the statements in appendices 1 to 3 against the Charity Commission's public benefit guidance and either approve their inclusion in the 2014/15 Annual Reports, or suggest changes.

2. PROPOSAL

The City Council's responsibilities as trustees of charities are carried out by the Trusts and Charities Committee. Dependent upon the size of the charity, the Charity Commission requires different levels of reporting. The City Council is trustee for three charities which require a formal Annual Report and Accounts; including a Public Benefit Statement. These charities are the Bridge Estate, Harvey Hadden Stadium and Highfields Park Trust.

The Charities Act 2011 requires Trustees to provide a detailed explanation within the Annual Report of the significant activities undertaken in providing a public benefit, in accordance with the charity's aims for the public benefit. The public benefit requirement means that, to be a charity, the organisation must be able to demonstrate that it is set up for charitable aims that are, and will be carried out to provide benefit to the public or a section of the public. Put simply, public benefit reporting is about explaining:

- what a charity's aims are and what it has done to carry them out;
- who it seeks to benefit;
- how people have benefited.

The principles of public benefit apply to all charities, whatever their aims. Each charity must be able to demonstrate that its aims are for the public benefit. Public benefit decisions are about whether an individual organisation is a charity and not about whether particular types of charity or groups of charities, as a whole, are for the public benefit.

3. REASONS FOR RECOMMENDATIONS (INCLUDING OUTCOMES OF CONSULTATION)

It is a requirement for Trustees to approve the public benefit statements for inclusion in the Annual Report.

4. OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

None

5. FINANCIAL IMPLICATIONS (INCLUDING VALUE FOR MONEY)

None

6. RISK MANAGEMENT ISSUES (INCLUDING LEGAL IMPLICATIONS, CRIME AND DISORDER ACT IMPLICATIONS AND EQUALITY AND DIVERSITY IMPLICATIONS)

None

7. EQUALITY IMPACT ASSESSMENTS (EIAs)

None

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

Annual Accounts

9. PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT

Charity Commission guidance on public benefit

[\(web address - Charities and Public Benefit: Summary Guidance for Charity Trustees\)](#)

Accounts and Audit regulations 2011

Charities Act 2011

Statement of Recommended Practice: Accounting by Charities (the Charities SORP) issued in 1995 and revised October 2005.

Council Plan 2012-2015

(web address - [Policies, plans and key documents : Nottingham City Council](#))

Budget and final account working papers.

Bridge Estate Public Benefit Statement 2014/15**(Changes from 2013/14 are shown in bold)**What a charity's aims are and what it has done to carry them out

The maintenance and repair of Trent Bridge and approaches remains the primary objective of the charity. Trent Bridge is the major vehicle communication route from the south of the City and is critical in bringing economic benefit to the City. This is increasingly important in light of the downturn in the global and national economy. The bridge is open to the public at large, assuring public benefit on an open access basis. There are no restrictions regarding the members of the public who may use the bridge and no fees are charged.

The Trustee's Annual Report for the year ending 31 March **2015** confirms that any residual income would be applied to the improvement of the City of Nottingham in support of the Council's aims and objectives, as set out in the Council Plan and Medium Term Financial Strategy. This is delivered through the maintenance and protection of the Trust's portfolio of income producing assets. In support of this, the Annual Report provides a financial review, identifies activities and achievements and sets out future proposals.

Who it seeks to benefit

The surplus income generated by the charity is transferred to Nottingham City Council's General Fund and is used for the benefit of the citizens of Nottingham. As referred to above, the surplus contributes directly to the delivery of Nottingham's priorities as set out in the Council Plan and enables the Council to provide the citizens of Nottingham with effective and efficient services.

How people have benefited

The Bridge Estate makes a contribution in excess of £1m to Nottingham City Council, to help deliver the Council's key priorities identified in the Council Plan. **as follows:**

~~Cut employment by a quarter~~

~~Cut crime and halve anti-social behaviour~~

~~Ensure that more school leavers get a job, training or further education than any other city~~

~~Keep your neighbourhood as clean as the city centre~~

~~Help keep energy bills down~~

The Council's focus will continue to address the Council Plan in subsequent financial years and the Bridge Estate fixed asset portfolio will be actively managed to secure new investment properties, increase income and reduce risk in an uncertain market.

The Bridge Estate's transfer to Nottingham City Council's General Fund also represents an equivalent saving for Nottingham citizens who pay council tax on a Band D property of **£XX (to be confirmed in the year end report)** (£26 in 2013/14).

Further specific details on the activities of the Bridge Estate are included within the Annual Report.

Harvey Hadden Stadium Trust

Public Benefit Statement

Purposes of the charity

The primary objective of the charity is to provide public sports and recreation for the people of the City of Nottingham forever, as a result of money left in a trust by the late Harvey Hadden.

To achieve this, a programme of ongoing maintenance of the ground and related infrastructure is completed each year. This ensures the provision of well maintained, good quality public recreation facilities.

How people have benefited

Harvey Hadden Stadium Trust is open to the public at large on an open access basis. There are fees charged and booking arrangements in place for the use of the athletic track and sports facilities.

The trustees confirm they have referred to the Charity Commission guidance on Public Benefit when reviewing the aims and objectives and when setting plans for the future.

Highfields Leisure Park Trust

Public Benefit Statement

Purposes of the charity

The primary objective of the charity is to provide public recreation and pleasure grounds for the people of Nottingham forever. To achieve this, a programme of ongoing maintenance of grounds and equipment is completed each year. This ensures the provision of well maintained, good quality public recreation facilities.

How people have benefited

Highfields Leisure Park Trust is open to the public at large assuring public benefit on an open access basis. There are no restrictions regarding the members of public who may use Highfields. No fees are charged for access to the park, but some fees are charged for various concessions within the park.

The trustees confirm they have referred to the Charity Commission guidance on Public Benefit when reviewing the aims and objectives and when setting plans for the future.

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Trusts and Charities Committee - 27 February 2015

Title of paper:	Bridge Estate Charity - Tree Maintenance programme	
Director:	Stuart Knight - Director of Strategic Asset and Property Management	Wards affected: Various
Report author and contact details:	Richard Cox – Senior Estates Surveyor – 0115 8763074 Richard.cox@nottinghamcity.gov.uk	
Other colleagues who have provided input:	Malcolm Townroe – Legal Services Manager - 0115 8764332 Malcolm.townroe@nottinghamcity.gov.uk Barry Dryden, Senior Finance Manager – 0115 8762799 Barry.dryden@nottinghamcity.gov.uk Eddie Curry, Head of Parks and Open Spaces Eddie.curry@nottinghamcity.gov.uk - 0115 876 4982	
Relevant Council Plan Strategic Priority:		
World Class Nottingham		X
Work in Nottingham		X
Safer Nottingham		X
Neighbourhood Nottingham		X
Family Nottingham		X
Healthy Nottingham		X
Leading Nottingham		
Summary of issues (including benefits to citizens/service users):		
This report presents proposals for Bridge Estate to enter into a formal contract for the maintenance and management of trees located on land in its ownership.		
Recommendation:		
1	That the Committee approve the proposal for Bridge Estate to enter into a contract with Nottingham City Council for the annual inspection and maintenance of its tree stock as set out in the report.	

1. BACKGROUND

- 1.1 Over the past 18 months the City Council's Tree Services team has undertaken a full survey and risk assessment of the tree stock within the city boundary. For the first time, the survey has incorporated known Bridge Estate trees which historically have only been managed on a reactive basis. The survey has been carried out in order to ensure that the Council and Bridge Estate fully mitigate their insurance risks and puts in place a rigorous process of inspection and a programme of works to resolve any identified areas of risk.

The survey has identified approximately 291 individual trees on 12 Bridge Estate sites (see appendix 1). These trees are located within both urban and rural locations. Approximately 107 of these trees are the responsibility of Bridge Estate to manage; the remaining trees are located on land leased to third parties. The survey found that 32 trees required immediate remediation. The majority of these trees are located on Old Coach Road and were attended to last autumn.

The tree works have been identified using the Tree Safety Management Plan (annex Urban Forestry Strategy see appendix 2) which gives us a methodology and process to identify risk and how best to prioritise the works.

Traditionally trees located within Bridge Estate have not been included within the Council's wider tree management programme and therefore have not received any proactive management. The survey is the first step towards addressing these problems. However, attention is now needed to put in place a suitable programme of works to deal with both the urgent reactive work and the long term proactive management of the tree stock.

1.2 The Tree Works Proposals

In order to mitigate the safety risks associated with the trees a programme of both urgent works and long term proactive management is required. These works will include removal of dead, diseased and damaged trees and will ensure that the trees are significantly improved and are more sustainably managed in the future years.

Annual maintenance cost

The cost for the annual maintenance of the total Bridge Estate tree population of 107 will be £5,000. This would cover the following:

- Incorporation into the Council's cyclical maintenance survey and operational programme ensuring that we meet our statutory obligations;
- 24 hour Emergency tree works cover;
- Full itinerary of trees stored on Tree Services Database "Ezytreev";
- Enquiries involving trees on Bridge land investigated and resolved through use of policy set in the Urban Forestry Strategy;
- Professional Arboriculture advice in insurance and litigation cases.

Not Included

- Stump removal;
- Replanting of removed trees;
- Collections of trees or plants classified as hedges;
- Ivy/invasive plant removal from walls and building.

These works can be carried out at extra cost.

Breakdown of priority and associated costings to carry out tree works:

Tree Works	Bridge priority trees No.	Bridge total costings (£)
Priority Work undertaken in 2014	27	£ 10,500
Priority work to be undertaken in 2015/16	80	Approx. £ 3,000
Annual Maintenance Programme including annual survey, programmed works and emergency call out	107	£ 5,000

The initial annual Maintenance Programme Costing is based on:

- Initial yearly Full Arboricultural Survey assessing condition of tree and potential risk potentials (amount of potential damage) and Zones (i.e. is tree in high footfall areas). This will cost £10 per tree for a total of £1,070.
- Estimated yearly works costs, this is predicted to mainly involve crown lifting, dead wooding and epicormic removal. With the occasional removal of recently deceased trees - £3,000 a year.
- Emergency Tree Cover - £500 a year.
- Administration costs - £430 a year.

These figures are based on average running costs.

It is proposed that Bridge Estate will enter in to an annual contract with the City Council for this service. It is expected that the tree works will be carried out by both the Council's in house team and also external contractors employed directly by it.

2. REASONS FOR RECOMMENDATIONS (INCLUDING OUTCOMES OF CONSULTATION)

- 2.1 To meet Bridge Estate's statutory obligation and reduce litigation in line with the Tree Safety Management Plan.
- 2.2 To ensure that budgets allow for proactive management of Bridge Estate trees.

3. OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

- 3.1 Alternatives would not be viable as continued lack of management would lead to potential litigation cases brought against Bridge Estate.
- 3.2 To not carry out the annual inspections and tree work would result in the continued deterioration of the trees and woodlands and would lead to increased costs incurred by reactive maintenance.

4. FINANCIAL IMPLICATIONS (INCLUDING VALUE FOR MONEY)

- 4.1 The Bridge Estate Charity will need to commit an annual budget to ensure that the tree safety and woodland management costs are fully covered. The annual cost has been included in the 2015-16 Budget (also being considered at this meeting).

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

5.1 Legal

The proposal to enter into a contractual arrangement with Nottingham City Council, on the basis set out in the report, raises no significant legal issues. On the assumption that the £5,000 annual payment provides cover for all of the trees for which Bridge Estate is responsible then it also makes good business sense. The Committee should still ask for annual updates on tree surveys and work undertaken to ensure that the contract provides value for money.

5.2 Risk and Opportunity Management

Resolving the urgent tree works and putting in place a comprehensive work programme to maintain the trees will ensure that Bridge Estate addresses the risks and significantly improves the service provided.

5.3 Performance Management

The ongoing monitoring and successful delivery of a comprehensive programme of works will be monitored directly by the City Council's Tree Service team in order to ensure that the works are to the required standard, cost effective and sensitively carried out.

5.4 Communications

There will be several key stages through the works programme to link to a communications plan:

- Public consultation will be carried out in local areas before any major tree operations.
- Localised tree priority plans will be developed in each area of the city.
- Establishment of a community Tree Warden Scheme will be established in order to ensure greater community ownership of trees and woodlands.

6. EQUALITY IMPACT ASSESSMENTS (EIAs)

Not required as there are no negative equality impacts relating to this proposal.

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

- 7.1 None.

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

8.1 Urban Forestry Strategy (viewable at <http://www.nottinghamcity.gov.uk/trees>)

Appendix 1

List of known Bridge sites, number of trees and if Leaseholder managed.

Known Bridge Sites			
Site	No. of trees	Lease holder managed	Estimated cost 2014
Glaisdale Drive East, Nottingham	68	Yes	0
Glaisdale Parkway, Nottingham	89	Yes	986.15
Mapperley Road Allotments	15	Yes	n/a
Old Coach Road, Nottingham	27	No	£10500
Vernon Road, Nottingham	6	Yes	0
Woodborough Road, Nottingham	7	Yes	n/a
Ransom Road Allotments	n/a	Yes	n/a
Bellevue Reservoir Allotment	n/a	Yes	n/a
Woodland opp. Wells Road Wellness Centre	80 approx	No	£3000
Farmland off Plumtree Road. Nr Cotgrave	n/a	Yes	n/a
Farm and Woodland, Strelley	n/a	Yes	n/a
Public House, Bracebridge Rd.	n/a	Yes	n/a

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Trusts and Charities Committee - 27 February 2015

Title of paper:	Property Exchange – 192 Poplar Street / 105 Carlton Road	
Director:	Stuart Knight – Director of Strategic Asset and Property Management	Wards affected: Dales
Report author and contact details:	Richard Cox – Senior Estate Surveyor. Tel 0115 8763074 Richard.cox@nottinghamcity.gov.uk	
Other colleagues who have provided input:	Malcolm Townroe (Legal Services) Malcolm.Townroe@nottinghamcity.gov.uk Georgina Lewis (Finance) Georgina.Lewis@nottinghamcity.gov.uk	
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 checked="" 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 type="checkbox"/>
Summary of issues (including benefits to citizens/service users):		
This report recommends the exchange of Bridge Estate's freehold interest in 192 Poplar Street for the freehold interest in 105 Carlton Road.		
Recommendation:		
1	To approve the exchange of Bridge Estate's freehold interest in 192 Poplar Street for Nottingham City Council's freehold interest in 105 Carlton Road.	

1. BACKGROUND

Bridge Estate owns the majority of the freehold interest in 192 Poplar Street, Sneinton, subject to a periodic tenancy to Learning Works for Children Ltd at a rental of £17,500pa. The property comprises a two storey brick and slate Victorian building with a single story extension. It is currently used as a children's nursery. A part of the property, comprising most of the single storey extension and amounting to some 27% of the site area, is owned by Nottingham City Council.

The property forms part of an island site which has been identified as the location for a new BioScience building, which will form an extension to the adjacent BioCity complex. Nottingham City Council either owns or has acquired the remaining property interests necessary to proceed with the development and has approached Bridge Estate to acquire its interest in 192 Poplar Street.

As part of the transaction the City Council has agreed to purchase Bridge Estate an alternative asset, of the same or greater value, capable of housing the tenant who would be displaced following the demolition of 192 Poplar Street. It subsequently acquired 105 Carlton Road, a two storey building with four car spaces to the front and a secure yard to the rear for car parking/outside play area. Adaption works have been carried out to ensure that the property meets the requirements of the nursery. In anticipation of this, Learning Works for Children Ltd has agreed to take a lease of the new property on comparable terms to its existing agreement on 192 Poplar Street.

As this transaction is between Bridge Estate and Nottingham City Council, independent valuations have been obtained for both properties by an RICS Registered Valuer.

The valuations were carried out on the basis of market value as defined in the Valuation Professional Standards published by the RICS which are 'the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arms-length transaction after proper marketing wherein the parties have each acted knowledgeably, prudently and without compulsion'.

The valuation of 192 Poplar Street (this relates to the whole property) is £212,500. The pro rata value of the Bridge Estate element is £155,338. This is based on site area.

The valuation of 105 Carlton Road is £278,000.

2 REASONS FOR RECOMMENDATIONS (INCLUDING OUTCOMES OF CONSULTATION)

The transfer of the property will provide Bridge Estate with a better quality asset of greater value. 192 Poplar Street is an aging Victorian property and to keep it in a lettable condition substantial investment would be required by Bridge Estate over the next few years. The property it will be exchanged for, 105 Carlton Road, is in a good state of repair and has been adapted to ensure it complies with current regulations for a children's nursery. The capital value is greater and there are good prospects of rental growth.

3. OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

Retain 192, Poplar Street as an investment. The property requires significant investment to secure the rental stream in the years ahead and the nature of the building means that there is limited scope to recover this investment through an increase in the rent.

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

Bridge Estate currently receives annual rental income of £17,500 from 192 Poplar Street. This report indicates that annual rental income from 105 Carlton Road will be at a similar level and therefore there will be no impact on the revenue budget within Bridge Estate by exchanging these properties with Nottingham City Council. Bridge Estate will also benefit from a greater capital value for 105 Carlton Road than that of 192 Poplar Street as set out in the Exempt Appendix.

Finance Observations provided by Georgina Lewis, Finance Analyst

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

The usual requirement imposed on charity trustees is for the transaction to represent the “best deal” for the charity having regard to advice from a suitably qualified surveyor. However in this instance, because the transaction is with a “connected person” i.e. the Charity Trustee, approval will be required from the Charity Commission under s117(1) of the Charities Act 2011 before the transaction can proceed. The Commission will also need to be assured that the proposed disposal has been advertised.

Legal Observations provided by Malcolm R. Townroe, Head of Legal Services

6. EQUALITY IMPACT ASSESSMENT

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

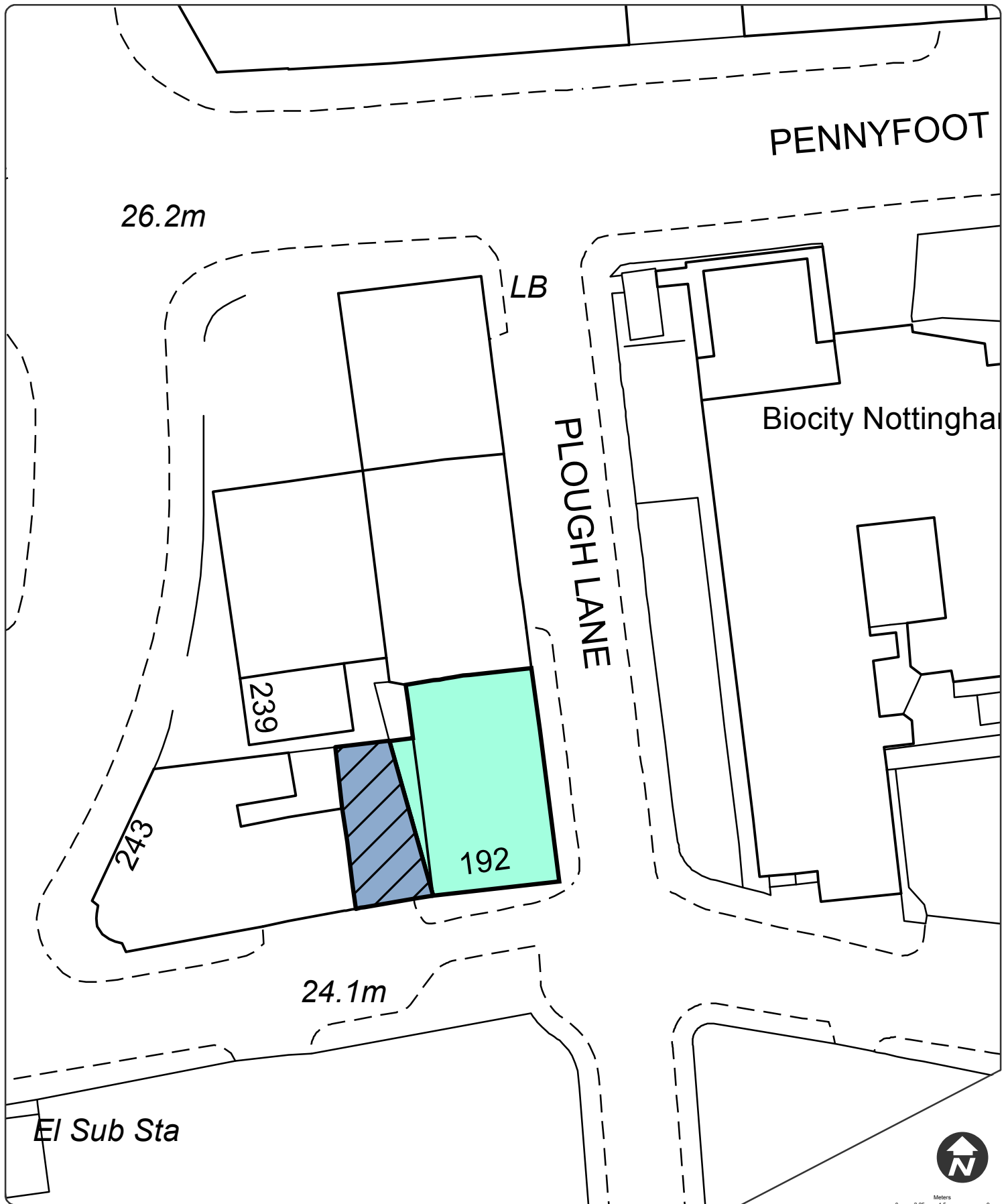
7. LIST OF BACKGROUND PAPERS OTHER THAN PUBLISHED WORKS OR THOSE DISCLOSING CONFIDENTIAL OR EXEMPT INFORMATION

None

8. PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT



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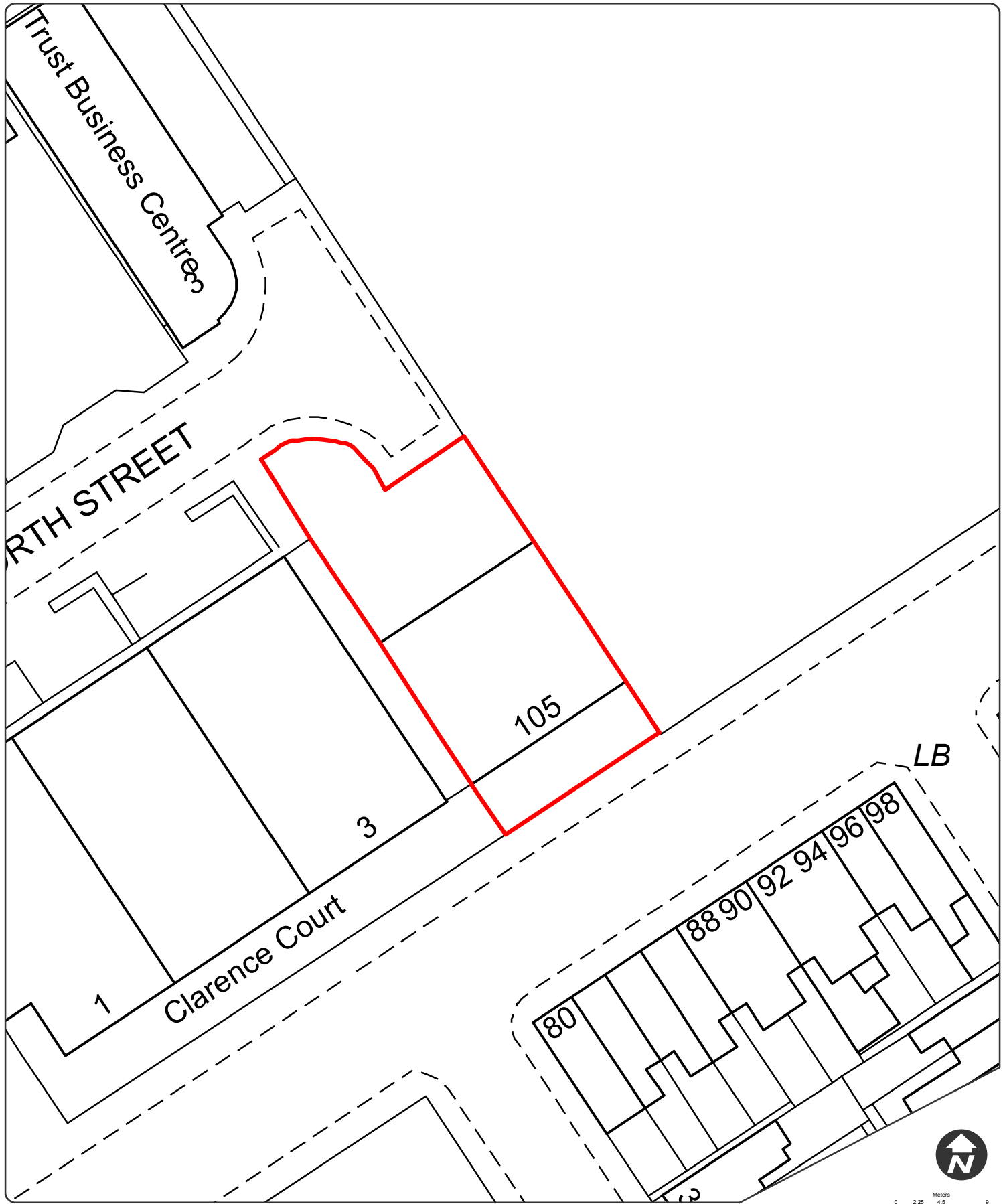
192 Poplar Street

Scale @ A4 = 1:500

-  Chamber - 104.4 sq m or thereabouts
-  Bridge - 283.5 sq m or thereabouts

Nottingham City Council
Propertyplus
 Loxley House
 Station Street
 Nottingham NG2 3NG
 Tel : 0115 8763000
 Fax : 0115 8763130
**Property Records
 Development**

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105 Carlton Road

Scale @ A4 = 1:500

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Trusts and Charities Committee - 27 February 2015

Title of paper:	Replacement of Boilers – Century House, Chapel Bar	
Director:	Stuart Knight – Director of Strategic Asset and Property Management	Wards affected: Bridge
Report author and contact details:	Richard Cox – Senior Estate Surveyor. Richard.cox@nottinghamcity.gov.uk	
Other colleagues who have provided input:	Malcolm Townroe (Legal Services) Georgina Lewis (Finance)	
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 checked="" 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 type="checkbox"/>
Summary of issues (including benefits to citizens/service users):		
This report recommends the replacement of the gas boilers at Century House, Chapel Bar. The existing boilers no longer comply with gas safety regulations.		
Recommendation:		
1	To approve the appointment of Midland Counties Heating Services Ltd to provide and install replacement gas boilers at Century House, Chapel Bar, at the price set out in the exempt appendix.	

1. BACKGROUND

Bridge Estate owns the freehold of Century House, Chapel Bar, a four storey building with basement comprising a restaurant/bar on the ground floor and three floors of offices above. The building is fully let and produces a gross rental income of £130,000pa. The offices are heated by two gas boilers located in the basement.

The gas boilers no longer comply with gas safety regulations and require immediate replacement. A specification for the work was prepared by the Property Safety and Compliance team and the requirement put out to tender. Three quotes were obtained details of which are set out in the Exempt Appendix. The lowest tender was submitted by Midland Counties Heating Services Limited and it is recommended that it is appointed to carry out the work.

2. REASONS FOR RECOMMENDATIONS (INCLUDING OUTCOMES OF CONSULTATION)

The gas boilers serving the office accommodation do not conform to current regulations. It is the landlord's responsibility under the terms of the leases to provide heating to the offices. To meet this obligation it will be necessary to install replacement boilers.

3. OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

There are no other feasible options.

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

The cost of the replacement boilers can be met from Bridge Estate capital receipts.

Finance Observations provided by Georgina Lewis, Finance Analyst

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

The proposals set out in the report raise no significant legal issues and in the circumstances outlined within the report are supported.

Legal Observations provided by Malcolm R. Townroe, Head of Legal Services

6. EQUALITY IMPACT ASSESSMENT

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

None

8. PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT

None

Document is Restricted

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