

NOTTINGHAM CITY COUNCIL

TRUSTS AND CHARITIES COMMITTEE

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

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

indicates present at meeting

Colleagues, partners and others in attendance:

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

18 APOLOGIES FOR ABSENCE

None.

19 DECLARATIONS OF INTERESTS

None.

20 MINUTES

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

21 MEMBERSHIP

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

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

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

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

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

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

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

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

RESOLVED to

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

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

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

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

The Committee raised the following issues in discussion:

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

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

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

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

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

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

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

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

'C. Governance

10. Are we an effective trustee body?

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

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

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

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

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

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

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

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

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

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

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

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

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

25 HARVEY HADDEN ICONIC FACILITIES

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

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

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

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

RESOLVED to note the report.

26 BRIDGE ESTATE PROPERTY PORTFOLIO UPDATE

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

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

The Committee raised the following points in discussion:

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

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