

NOTTINGHAM CITY COUNCIL

TRUSTS AND CHARITIES COMMITTEE

MINUTES of the meeting held at LB31 - Loxley House, Station Street, Nottingham, NG2 3NG on 31 January 2014 from 14.00 - 14.46

- ✓ 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

- ✓
- ✓ indicates present at meeting

Colleagues, partners and others in attendance:

Richard Cox	- Senior Estates Surveyor
Barry Dryden	- Senior Finance Manager
Noel McMenamin	- Constitutional Services Officer
Simon Peters	- Acting Head of Estates
Tracy White	- Senior Assistant

27 APOLOGIES FOR ABSENCE

Councillor Glyn Jenkins (other Council business)
Councillor Roger Steel
Councillor Sam Webster

28 DECLARATIONS OF INTERESTS

None.

29 MINUTES

The Committee confirmed the minutes of the meeting held on 29 November 2013 as a true record and they were signed by the Chair.

30 BRIDGE ESTATE TRUST - QUARTER 3 BUDGET MONITORING 2013/14 AND BUDGET 2014/15

The Committee considered the Deputy chief Executive/Corporate Director for Resources' report, detailing the forecast out-turn for Bridge Estate for 2013/14, based on the third quarter's budget monitoring, and the Budget for 2014/15 for approval. Barry Dryden, Senior Finance Manager introduced the report, making the following points:

- (a) Bridge Estate income and net surplus forecasts were down from 2012/13, mainly because of the loss of a major tenant following bankruptcy, increased repair costs at Century House and reduced rental income following 2 major property sales;
- (b) the grant to Nottingham City Council was expected to be reduced by £385,000 to approximately £1,225,000;
- (c) the Bridge Estate budget for 2014/15 took account of recent capital receipts plus inflation, and showed a surplus before City Council grant of approximately £1,678,000;
- (d) the 2014/15 budget net surplus of approximately £133,000 was allocated to the Repairs and Renewal Fund (£72,000) and un-earmarked reserve or contingency of nearly £61,000.

The Committee made several points in the discussion which followed:

- (e) despite the impact on rental income, the Committee agreed that re-shaping the property portfolio through recent disposals was the correct approach. The recent positive signs of economic recovery would help boost rental incomes and reduce voids in 2014/15;
- (f) Simon Peters, Acting Head of Estates and Richard Cox, Senior Estates Surveyor, responded to comments from several councillors about the repair and maintenance of the Bridge Estate property portfolio. Conditions surveys were completed for most properties, and Property colleagues were putting together a planned maintenance plan;
- (g) the Bridge Estate was not responsible for all repairs and maintenance to its property portfolio: tenants were responsible for a significant proportion;
- (h) the repair and upgrade of Century House was required to bring it up to market standard;
- (i) councillors were reassured that current contingency provision was sufficient to ensure that Trent Bridge was properly maintained.

RESOLVED

- (1) to note the bridge Estate 2013/14 forecast out-turn;
- (2) to approve the 2014/15 Bridge Estate budget.

31 WOOLSTHORPE CLOSE DEPOT - PROPOSAL TO WORK UP REFURBISHMENT OF VACANT PREMISES FOR USE AS OFFICES

The Committee considered a report of the Director of Strategic Asset and Property Management, proposing a feasibility study and cost and viability assessment for converting Building 2 on Woolsthorpe Close Depot to office use.

Simon Peters, Acting Head of Estates, introduced the report, making the following points:

- (a) there are currently 2 vacant buildings on the Woolsthorpe Depot site, and there is a prospective occupier for one of the buildings. However, the building needs refurbishing to meet market standards;
- (b) it is necessary to fund initial work on surveys and design fees to assess the viability and cost of converting and refurbishing the vacant premises. The cost is estimated at £30,000 but it was not possible to give an exact figure at this point;
- (c) the existing adjacent could be demolished and the space used to provide car parking for the proposed offices – this would be explored and costed at the design/survey phase;
- (d) if successful, the project would provide a healthy income stream for the Bridge Estate and would mean that the Woolsthorpe Close Depot was fully occupied.

The Board welcomed the proposal and raised the following points:

- (e) in response to a councillor's query on the impact of future budgets, Mr Peters explained that funding could come from recent capital receipts, but that these initial costs would be recoverable over time;
- (f) depending on the outcome of the survey/design work, the Committee will have the opportunity to consider in detail the refurbishment/redevelopment plans for these vacant premises;
- (f) it made sense to explore upgrading this property, especially since leaving it empty incurred unrecoverable costs.

RESOLVED to delegate authority to the Director of Strategic Asset and Property Management to instruct expenditure on surveys and design fees to appraise the viability and cost of converting and refurbishing the existing vacant premises at Woolsthorpe Close Depot, the estimated cost being £30,000.

32 BRIDGE ESTATE PROPERTY PORTFOLIO UPDATE

The Committee considered a report on the main property issues for the Bridge Estate property portfolio, introduced by Richard Cox, Senior Estates Surveyor. Mr Cox made the following points:

- (a) the Property Plus staffing complement is being strengthened and will be able to deliver a more structured property and asset management service;
- (b) the new lessee at the site of the former Sinatra's restaurant on Chapel Bar began trading just before Christmas 2013, and hopes to take forward investment proposals in the first half 2014;
- (c) the first floor of Century House is occupied, refurbishment of the second floor is completed, while work is ongoing on floor 3;
- (d) there was strong interest in 140 Vernon Road from a number of prospective occupiers, while similar levels of interest were expected for 49 Hungerhill Road, once work to connect the premises to the mains sewer is completed;
- (e) an agent has been appointed to attract a new tenant for 14-16 Wheelergate, formerly occupied by Co-operative Travel, and a planning application to widen use to include restaurant/café and financial/professional services has been submitted;
- (f) only 2 residential properties remained on the portfolio following the sale of 53 Shelton Street. One will go to auction soon, while the other is on a 50 year lease to Family First;
- (g) the number of vacant properties on the portfolio was down to 9.

The Committee made the following comments:

- (h) councillors welcomed the swift turnaround in occupancy at the former Sinatra's site, as Chapel Bar played an important part of the city centre economy;
- (i) a councillor commented that a tram sub-station near to the Vernon Road site had a flooding issue;

- (j) Mr Cox explained that 3 of the vacant properties were fire-damaged properties at Whitemoor Court, 3 were currently being renovated and 3 were being actively marketed.

RESOLVED to note the update.