

Trusts and Charities Committee – 21st July 2017

Title of paper:	Bridge Estate Property Portfolio Update		
Director(s)/ Corporate Director(s):	Kevin Shutter, Director of Strategic Assets and Property	Wards affected:	
Report author(s) and contact details:	Bevis Mackie – Senior Estates Surveyor 0115 876 3635 Bevis.Mackie@nottinghamcity.gov.uk		
Other colleagues who have provided input:	Connie Green – Solicitor (Contracts and Commercial Team) Tom Straw - Senior Accountant – Capital Programmes (Technical Accounting) Peter Wells – Infrastructure Asset Manager (Energy Services Directorate)		
Date of consultation with Portfolio Holder(s) (if relevant)			
Relevant Council Plan Key Theme:			
Strategic Regeneration and Development			<input checked="" type="checkbox"/>
Schools			<input type="checkbox"/>
Planning and Housing			<input type="checkbox"/>
Community Services			<input type="checkbox"/>
Energy, Sustainability and Customer			<input type="checkbox"/>
Jobs, Growth and Transport			<input type="checkbox"/>
Adults, Health and Community Sector			<input type="checkbox"/>
Children, Early Intervention and Early Years			<input type="checkbox"/>
Leisure and Culture			<input type="checkbox"/>
Resources and Neighbourhood Regeneration			<input type="checkbox"/>
Summary of issues (including benefits to citizens/service users):			
The report sets out the key property events that have taken place or are proposed for the Bridge Estate since the date of the last meeting.			
Recommendation(s):			
1	That the Committee notes:		
	(i) the updates relating to individual properties as detailed in sections 1.1 to 1.9 and the update relating to the Trent Bridge Assessment of Significance as detailed in section 1.10.3;		
	(ii) the update relating to Trent Bridge Maintenance Funding as detailed in section 1.10 and provides its comments.		
2	That the Committee considers and provides its response to the advertising request detailed in section 1.10.2 of the report.		
3	That the Committee notes the impending changes to Highways markings on Trent Bridge as detailed in section 1.10.4 of the report.		
4	That the Committee:		
	(i) approves the amended Scheme of Delegation set out in appendix 1 to this report and that all decisions taken in accordance with this Scheme be made in compliance with the City Council's Constitution and Financial Regulations (including the		

	<p>recording of decisions); and</p> <p>(ii) that the Corporate Director of Development and Growth and the Director of Strategic Assets and Property be authorised to sub-delegate his/her power to the appropriate Head of Service to enable the management of trust and charity land and property subject to that delegation being recorded in writing.</p>
5	That the Committee agrees a date for the annual Bridge Property Portfolio Tour.

UPDATE

1.1 Part of Building no. 3 and Building no. 7, Woolsthorpe Close, Nottingham

Further to our recent meeting with Homeserve Membership Ltd, we understand the tenant has secured alternative accommodation elsewhere within the City, and has confirmed its intention to vacate the above mentioned premises. Further details are provided within the exempt appendix.

1.2 34 Lister Gate, Nottingham, NG1 7DD

We remain in discussions with two prospects tenants with respect to the re-letting of these premises. Pending the outcome of these further discussions, heads of terms for the lease will be provided within the exempt appendix for consideration by the Trustees.

1.3 Units 22, 23 & 24 Whitemoor Court, Nuthall Road, Nottingham, NG8 5BY

Arrangements have been agreed with the prospective tenant to put into effect a short-term tenancy, which will provide early occupation pending completion of the lease. Further details are provided for the Trustees information within the exempt appendix.

1.4 24-30 Castle Gate House, Nottingham, NG1 7AT

The tenant has made informal enquiries regarding the renewal of its lease held in respect of the above mentioned property. Further details regarding the above are provided for the Trustees information within the exempt appendix.

1.5 140 Vernon Road, Nottingham, NG6 0AD

A new prospective tenant has been identified and we remain in discussions with a view to finalising heads of terms for lease. Further details are provided within the exempt appendix.

1.6 The Abattoir & Buildings at the Cattle Market, Nottingham

We understand the lease document has been agreed between all parties with completion expected to place imminently.

1.7 Land and Buildings at Hungerhill Road, Nottingham

Further details regarding the potential disposal of these premises are provided within the exempt appendix.

1.8 Ground Floor and Basement Premises, Century House, 8-16 Chapel Bar, NG1 6JQ

In response to a breach of tenant covenant, the premises were repossessed on behalf of the Charity on 10th May. We can confirm the former tenant Curious Bars Ltd has appointed FRP Advisory LLP as joint liquidator to oversee the liquidation of the company.

In order to ensure for the earliest re-letting of these premises HEB Surveyors have been instructed as letting agent with the property marketed at a quoting rent of £75,000 per annum. Further details regarding the grounds for repossession and the re-letting are provided within the exempt appendix.

1.9 Upper Floors, Century House, 8-18 Chapel Bar, NG1 6JQ

The tenant has advised that they wish to enter into discussions as necessary to extend its occupation at these premises. Further details are provided within the exempt appendix.

1.10 Trent Bridge

1.10.1 Grant funding

A further update with respect to the options for grant funding concerned with improving the fabric of the bridge is provided by the Highway's department as shown detailed within the table below: -

Option	Update (June 2017)
1. Submit a comprehensive bid to the Department for Transport (DfT) Maintenance Challenge Fund	<p>The DfT have confirmed that there is a total of £75 million available in 2017/18 and that each Local Authority can submit one bid.</p> <p>The Challenge Fund requires a minimum of 10% match funding as previously communicated.</p> <p>However because the DfT are now seeking bids of £5m this would now <u>discount Trent Bridge as a bidding option</u>. Plans are underway to put forward an alternative bid to support increased carriageway maintenance activity across the City.</p>

<p>2. Bring forward the Local Transport Plan (LTP) Maintenance Programme with 50:50 funding from Bridge Estate to replace the paving over a 2-year period.</p>	<p>It is still an option and <u>preferred</u> but we would need to consider the match needed for Option 1 and other maintenance priorities across the City.</p> <p>The LTP maintenance funding will require Executive Board approval (February 2018)</p>
<p>3. Bring forward the LTP Maintenance Programme and carry out the paving works in phases over a 2-year period.</p>	<p>It is still an option but <u>not preferred</u>. We would need to consider the match needed for Option 1 and other maintenance priorities across the City would be deferred for a two year period.</p> <p>The LTP maintenance funding will require Executive Board approval (February 2018)</p>

1.10.2 Advertising

A request has been made by a mental health service for permission to affix advertising posters onto Trent Bridge in raising awareness of its support services.

Trustees are asked to consider the request and confirm the Charity's position. If Trustees are minded to support the request, it should be noted that the applicant will need to make enquiries with the Planning Authority to ensure any consents as may be required are obtained.

1.10.3 Assessment of Significance

Fee proposals have been received from consultants specialising in heritage conservation with respect to producing an Assessment of Significance for Trent Bridge in accordance with the following specification:

- detailed description of the Listed Building structure
- information confirming the type of construction and fabric of the structure
- detailed list of the features which serve to underpin the Listing and relative importance
- information concerning the history of the structure and its architect
- significance behind the structure's physical presence and also its setting
- relative value of the heritage asset with regard to architectural, artistic, aesthetic and historic importance
- cultural and heritage values attached to the structure and how they interrelate
- regard to local planning policy
- any other issues of significance and there possible effects

- commentary providing comparison with other similar structures within the local area / region

The Trustees are asked to confirm a preferred consultant for the commissioning of the report.

1.10.4 Trent Bridge Highway

The Highways Authority has advised us that the carriage markings on Trent Bridge has been altered in the interest of protecting public safety.

Traffic barriers were installed outside Trent Bridge in line with safety advice handed down by the Government for major events. They were installed overnight on Wednesday (July 12).

1.11 Bridge Estate Property Portfolio Review

A separate report will be provided for the Trustees consideration consisting of an up-to-date overview of the portfolio together with analysis in respect of the performance of the property assets to be provided within the exempt appendix.

1.12 Scheme of Delegation

The Committee at its meeting on 6 September 2011 approved a Scheme of Delegation for the Management of Trust and Charity Land. The Committee has not reviewed this Scheme since its first adoption. The delegated powers in the attached appendix in general terms mirror those currently in place in respect of other properties held in the Property Trading Account and are managed by the Director of Property and Workplace Strategy. It is recommended that the approves two additional delegations to the Scheme and that an existing delegation be amended. The proposed amendments are highlighted in '**bold**' and 'underlined' on the attached appendix.

1.13 Trustees Annual Property Portfolio Tour

The last annual tour was conducted on 27th June 2016. The Trustees are asked to advise on their availability to attend the annual tour late July / early August 2017.

2 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)

2.1 Not applicable

3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

3.1 Not applicable as the report is for information only

4 FINANCE COLLEAGUE COMMENTS (INCLUDING IMPLICATIONS AND VALUE FOR MONEY/VAT)

4.1 Not applicable

5 LEGAL AND PROCUREMENT COLLEAGUE COMMENTS (INCLUDING RISK MANAGEMENT ISSUES, AND LEGAL, CRIME AND DISORDER ACT AND PROCUREMENT IMPLICATIONS)

5.1 Charity Commission guidance states that the Trust may purchase and lease property for the charity to generate income to meet its purposes, but Trustees must make sure that it is in the charity's best interests. Trustees are responsible for protecting the charity's money and assets. Therefore, Trustees should satisfy themselves that:-

- the property is suitable for its needs.
- the price is fair, or even discounted, compared with similar properties on the market.
- they understand any legal obligations relating to the land, such as planning restrictions.
- any loan or mortgage terms are reasonable and competitive.

5.2 The above paragraph is extracted from Charity Commission guidance to assist and remind Trustees generally about their obligations in relation to the Bridge Estate. Further legal comment in relation to individual property transactions are provided within the exempt appendix to this report.

5.3 The proposed delegations set out in Appendix 1 are deliberately more limited than those proposed for the Property Trading Account. This is to allow for the fact that Trustees should have more active and transparent involvement in the decision making process. Consequently, whilst there is a need for some element of delegation, a balance needs to be struck between the ability to move forwards on smaller transactions quickly whilst still providing effective closer trustee scrutiny of larger value matters. The additional delegations proposed are administrative in nature, contain a financial cap and still require consultation with the Chair of the Trusts and Charities Committee before they can be utilised by the Officers to whom the functions have been delegated.

6 STRATEGIC ASSETS & PROPERTY COLLEAGUE COMMENTS (FOR DECISION RELATING TO ALL PROPERTY ASSETS AND ASSOCIATED INFRASTRUCTURE) (AREA COMMITTEE REPORTS ONLY)

6.1 Not applicable

7 EQUALITY IMPACT ASSESSMENT

7.1 Has the equality impact of the proposals in this report been assessed?

No. In accordance with Sections A and B under Guidance Note – carrying out equality impact assessment (EIA) 2.11.11 as it does not involve change of policy, services or functions and some aspects for information only.

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

8.1 None

9 PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT

9.1 None

Scheme of Delegation – Trust and Charity Land and Property

Please note:

1. Any proposed amendments to the existing Scheme are in '**Bold**' type and **underlined**.
2. The job titles of Officer(s) to whom functions are delegated have all been updated to reflect the current organisational structure in place in the Council.

	Description	Legislation	Executive or Non-Executive	Officer(s) to whom function delegated
1.	<u>Trust and Charity Land and Property – Assignment and Under lettings</u> To agree assignment and under lettings of leases and tenancies.	--	Non - Executive	Corporate Director of Development and Growth Director of Strategic Assets and Property
2.	<u>Trust and Charity Land and Property – approval of plans</u> To approve plans where the trust or charity's consent is required as owner from the trustees.	--	Non - Executive	Corporate Director of Development and Growth Director of Strategic Assets and Property
3.	<u>Trust and Charity Land and Property – Claims under the Leasehold Reform Act 1967</u> To admit or deny claims and where admitted settle the sale price under the Leasehold Reform Act 1967.	--	Non - Executive	Corporate Director of Development and Growth Director of Strategic Assets and Property

	Description	Legislation	Executive or Non-Executive	Officer(s) to whom function delegated
	<u>Trust and Charity Land Property –</u> To authorise the grant of licences, wayleaves and easements.	--	Non - Executive	Corporate Director of Development and Growth Director of Strategic Assets and Property
5.	<u>Trust and Charity Land and Property –</u> To grant tenancies and leases of property for up to 20 years where rent does not exceed £50,000 per annum.	--	Non - Executive	Corporate Director of Development and Growth Director of Strategic Assets and Property
6.	<u>Trust and Charity Land and Property – Dilapidations</u> (1) To settle terms, agree dilapidations and accept the surrender of existing leases and to recover possession of premises on expiry of leases. (2) To approve settlement of the dilapidations claim up to £10,000 where the Charity or Trust has been the tenant.	--	Non - Executive	Corporate Director of Development and Growth Director of Strategic Assets and Property

	Description	Legislation	Executive or Non-Executive	Officer(s) to whom function delegated
7.	<u>Trust and Charity Land and Property – Notice and Review</u> (1) To authorise service of appropriate notices to determine tenancies and leases to initiate possession, rent review and lease renewal or where there has been a breach of covenant. (2) To settle upward only rents on review and renewal.	--	Non - Executive	Corporate Director of Development and Growth Director of Strategic Assets and Property
8.	<u>Trust and Charity Land and Property – Variations of covenants</u> To approve variations of covenants in leases and tenancies and to agree terms where the financial effect does not exceed £10,000 per annum.	--	Non - Executive	Corporate Director of Development and Growth Director of Strategic Assets and Property
9.	<u>Trust and Charity Land and Property – Statutory Compensation to Tenants</u> To settle statutory compensation payable to tenants up to the value of £50,000.	--	Non - Executive	Corporate Director of Development and Growth Director of Strategic Assets and Property

	Description	Legislation	Executive or Non-Executive	Officer(s) to whom function delegated
10.	<u>Trust and Charity Land and Property – Sales</u> To market, negotiate and approve sales of land and property for values up to £75,000 where the property has been declared surplus to Charity or Trust requirements.	--	Non - Executive	Corporate Director of Development and Growth Director of Strategic Assets and Property
11.	<u>Trust and Charity Land and Property – Purchase</u> To approve the purchases of land and property and the taking of wayleaves, easements, licences, tenancies and leases by the Charity or Trust over property up to a maximum capital payment of £25,000 or £10,000 initial rental payment and for to terms up 10 years in respect of leases and 50 years in respect of easements.	--	Non - Executive	Corporate Director of Development and Growth Director of Strategic Assets and Property
12.	<u>Trust and Charity Land and Property – Release of Covenants</u> To negotiate and approve terms of release of covenants on freehold land to a maximum value of £50,000.	--	Non - Executive	Corporate Director of Development and Growth Director of Strategic Assets and Property

	Description	Legislation	Executive or Non-Executive	Officer(s) to whom function delegated
13.	<p><u>Trust and Charity Land and Property – Planning</u></p> <p>To submit planning applications in relation to Charity or Trust held land and property.</p>	--	Non - Executive	<p>Corporate Director of Development and Growth</p> <p>Director of Strategic Assets and Property</p>
14.	<p><u>Trust and Charity Land and Property – Overdue Rent</u></p> <p>In consultation with the Deputy Chief Executive/Corporate Director of Resources to determine arrangements for reduction and recovery of overdue rent.</p> <p><u>Note: For the avoidance of doubt as to the meaning of ‘recovery of rent’ it includes the authority to agree repayment arrangements and settlement in relation to overdue rents.</u></p>	--	Non - Executive	<p>Corporate Director of Development and Growth</p> <p>Director of Strategic Assets and Property</p>

	Description	Legislation	Executive or Non-Executive	Officer(s) to whom function delegated
15.	<u>Trust and Charity Land and Property – Rental Reductions</u> To agree rental reductions and rent-free periods in appropriate cases where the tenant or lessee undertakes work to the premises, up to a maximum of financial value of £10,000 in any one year.	--	Non - Executive	Corporate Director of Development and Growth Director of Strategic Assets and Property
16.	<u>Trust and Charity – Recovery of Land</u> To authorise recovery of possession of land and property from trespassers			Corporate Director of Development and Growth Director of Strategic Assets and Property Director of Legal and Democratic Governance Services and Legal Services Managers

	Description	Legislation	Executive or Non-Executive	Officer(s) to whom function delegated
17.	<p><u>Trust and Charity – Instructions to Professional Property Advisors</u></p> <p><u>In consultation with the Chair of the Trusts and Charities Committee, authority be granted to commission reports, written advice, surveys, inspections and/or valuations up to the value of £10,000.</u></p> <p><u>By way of example this delegation includes but is not limited to:-</u></p> <ul style="list-style-type: none"> • <u>Independent property valuations;</u> • <u>Building condition and structural surveys;</u> • <u>Dilapidation surveys;</u> • <u>Planning and Conservation advice;</u> • <u>Environmental advice;</u> • <u>Health and Safety testing certificates, appraisals and/or audit;</u> • <u>Architectural advice;</u> • <u>Statutory Certificates and/or reports.</u> 	--	<u>Non-Executive</u>	<p><u>Corporate Director of Development and Growth</u></p> <p><u>Director of Strategic Assets and Property</u></p> <p><u>Director of Legal and Governance Services and Legal Services Manager</u></p>

	Description	Legislation	Executive or Non-Executive	Officer(s) to whom function delegated
18.	<p><u>Trust and Charity - Re-letting of property - Marketing costs and Agents fee</u></p> <p><u>In consultation with the Chair of the Trusts and Charities Committee, authority be granted to instruct professional property advisors for the purpose of re-letting property and agreeing the marketing costs and agents fee, subject to the following conditions:</u></p> <p>(i) <u>that any administration fee for the advertisement and marketing costs is below the threshold of £2000; and</u></p> <p>(ii) <u>that the proposed property advisors commission fee is below £15,000 upon successful completion of the property transaction.</u></p>	--	<u>Non-Executive</u>	<p><u>Corporate Director of Development and Growth</u></p> <p><u>Director of Strategic Assets and Property</u></p> <p><u>Director of Legal and Governance Services and Legal Services Manager</u></p>