

Nottingham City Council

Business Case

Project Title: Nottingham Historic Buildings Trust

Lead Department: Development and Growth



Safer, cleaner, ambitious
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Nottingham
City Council

DOCUMENT CONTROL

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1.0 PURPOSE OF DOCUMENT

The purpose of this business case is to explore, evidence and recommend the best legal model for the establishment of the Nottingham Historic Buildings Trust in terms of its charitable objectives, tax efficiency and the relationship with Nottingham City Council.

2.0 EXECUTIVE SUMMARY

This business case explores the mechanisms for delivering successful *Building at Risk* projects in Nottingham through the establishment of a Building Preservation Trust. Options will be considered and recommendations made for delivering *Building at Risk* projects through NCC and external bodies considering risks and financial exposure for NCC as well as looking at funding opportunities and deliverability.

The project timeline is linked to the delivery of the People's Hall project for which to meet grant deadlines the trust needs to be established as soon as possible to avoid missing project milestones.

3.0 STRATEGIC FIT

3.1 Background of Business Need

Regeneration of historic buildings brings considerable investment into the city and ensures that Nottingham's distinctive sense of place and legacy of entrepreneurialism retained. Commercial investments into Listed Buildings yield a higher return compared to unlisted properties over 3, 5, 10, and 30 year periods (Colliers International, 2011). Successful projects in the city targeting historic buildings include the Adams Building and 1-9 Bridlesmith Gate, both of which have led to wider regeneration and investment in surrounding areas.

Discussions with heritage professionals and members of Buildings Preservation Trusts have demonstrated that a range of mechanisms and models are currently used to repair and bring historic buildings back into sustainable use. This report considers a number of these options help determine a way forward.

Rationale

Historic buildings across the city are a key element of what makes Nottingham distinct, setting it apart as a place to create a home and build a business. For businesses, the historic environment is as important in deciding where to locate as road access (Heritage Counts, 2010). Many buildings, both within the city centre and outside of it,

are at serious risk of neglect and dereliction. Many of the city's historic buildings tied to the city's manufacturing and engineering success now require adaptation helping them to find new uses in a changing city economy. Regeneration of buildings and places such as Cobden Chambers and the Pitcher and Piano show that, once re-purposed, historic buildings in the city become an enticing part of its appeal, a focus for entrepreneurialism and regeneration.

The 2013 Nottingham Heritage at Risk survey identified 17 buildings, 5 of which are owned by the City Council, in urgent need of repair. A further twenty or more Listed Buildings in the city were considered to be in a poor and deteriorating state of repair.

Many more undesignated locally valued buildings are *at risk*. Historic structures across the city are subject to vandalism and crime such as the Chapel and Theatre at Mapperley Hospital which has suffered heavily at the hands of vandals and thieves, losing its organ. Many more buildings are unused and require investment and management to bring them into use.

Nottingham's 2015 Heritage Strategy *List of Potential Heritage Projects* identified a number of buildings, in both public and private ownership, that should be targeted within a curative programme of works that would enable the city to better capitalise on its distinctive sense of place and built architectural heritage.

The city has experienced a groundswell in volunteer involvement in heritage projects, with the City Council's Museum and Galleries Service volunteer programme, launched in 2009, with just 10 volunteers, now delivering 22,493 hours of support through 280 regular volunteers.

A BPT or similar charitable structure would help bring public and privately owned historic assets back into use. Their conservation and use would ensure a key part of the city's heritage prevails for the benefit of future generations, and Nottingham can continue to promote itself as distinctive and unique place underpinned by legacy of entrepreneurialism. Nottingham's growth Plan recognises the need for the city to reconnect with its industrial roots, and the Retail Strategy identifies the need to diversify the city's offer. The city's built heritage has a key role in achieving these objectives.

The establishment and initial funding of the Nottingham Historic Buildings Trust could be achieved through the People's Hall project which is a fully funded project (subject to final submissions) to establish a Creative Enterprise Hub within a grade II* Listed Building within the Lace Market conservation area. The timing of the delivery of the trust is dictated by the project timeline of the People's Hall project which has the potential to help give the Trust a secure income with which to develop heritage projects.

3.2 Strategic Objectives and Outcomes

National Fit:

Building Preservation Trusts and other charitable structures are commonly used across the U.K to help bring historic buildings back into sustainable use. They are useful mechanisms for capturing and empowering local expertise and voluntary resources, and are eligible for funding streams that are often unavailable to private organisations.

Council Plan:

Nottingham Growth Plan (2012)

The Growth Plan recognises that the regeneration and refurbishment of historic buildings is a core part of delivering both a diverse and quality commercial offer and an infrastructure for the future.

Nottingham's Heritage Strategy (2015-2030)

The vision for Nottingham's Heritage Strategy 2015-2030 is to establish a vibrant, valued and widely-known heritage which delivers long term benefits to the people, economy and environment of the City of Nottingham. The Trust is one of the key pieces of infrastructure to deliver the Nottingham Heritage Strategy.

Strategic Objectives:

- A well-resourced historic environment that uses internal funding, skills and experience to attract investment
- Heritage that is valued, cared for and has a central role in the city's economy and culture
- The ability to monitor the condition of the city's heritage as it develops
- A well-resourced and connected expert community of professionals and volunteers that brings together skills and expertise to the benefit of the city's historic environment
- A valued and cherished historic environment, celebrated by all communities in the city

Outcomes:

- 1 or 2 Buildings removed from Local *Buildings at Risk* or Historic England's *Heritage at Risk* register per year without recourse to NCC investment
- Capacity and expertise are developed within the Heritage third sector including development of heritage skills providing jobs and training for young people
- NCC's aspirations can be achieved without further investment
- Enforcement can be supported by a beneficial end user for historic buildings
- The Trust would enable heritage-led regeneration in Nottingham
- Investment can be secured into the Historic Environment of the city

3.3 Scope

The geographical scope of the BPT or charitable trust would be limited to the geographical extents of Nottingham. However, there may be opportunity to work in partnership with other BPTs in the East Midlands, not least the Nottinghamshire Buildings Preservation Trust.

Remit

A buildings preservation trust or other similar body would be an independent and most likely community-led organisation with charitable status. Trustees would include a range of representatives from across the city, including the development, business, local authority, community, heritage, educational and charitable sectors.

The trust would primarily be concerned with the constructive conservation of historic buildings in the city, particularly Listed Buildings and those designated heritage assets included on the city's emerging Local List. However, depending on its charitable structure and motivations, the Trust could also turn its attentions other elements of the city's environment including monuments, vacant land, public realm and open spaces. The *Heritage at Risk* register for the city identifies 35 Listed Buildings in need of imminent attention, including many non-habitable structures including railings, gateways, caves, a temple, an ice house and boundary walls. Therefore there may be a need for a Trust with a wider remit than buildings alone.

3.4 Constraints

Ongoing costs: BPTs require an endowment or source of income for ongoing management and operating costs, and these can be met in a number of ways. Without this funding the trust would not be able to deliver any projects with marginal viability – one of the core purposes of a BPT – and could not effectively develop projects (time is given at risk and only volunteer time can be relied on for free). Funding often comes in a mixture of forms, with significant elements of direct funding from a local authority, public bodies or charitable organisations either in-kind or through direct financing (see funding options below). Once established, BPTs can raise revenue through assets transferred to them, leased them out or managing them as a commercial operation (see potential revenue sources below). An endowment asset is usually a building restored and retained by the BPT. A BPT may also offer commercial consultancy services and can also deliver Council services, either through specialist advice or housing Council services within a renovated property.

Core funding would be required to support a number of full or part time posts and an ongoing range of tasks including membership, meetings, website, promotion, networking and managing contractors during set up and scoping phases. As a BPT

becomes more established core funding can be generated from membership, commercial activities and income from any assets that it holds. However during the first few years direct funding, typically from a Local Authority, is likely to be required. Discussions with a number of BPTs across the UK show that this form of direct funding would need to continue, with few if any BPTs undertaking rolling programmes of work without financial assistance.

Depending on the nature of the project and the skills and resources available, contributions are likely to be both financial and in-kind. Minimising ongoing costs through drawing on voluntary contributions is key, as is ensuring that project management costs are fully considered in funding bids for individual building projects. Using the Trust to deliver heritage services, particularly through shared-service agreements can be a useful way of establishing and supporting a team and structure, although this is unlikely to provide all the resources required. The nature of the initial endowment would be important, as the ability to generate income from it would be key to securing the necessary cash flow during the first years of the Trust.

1. Resources required (staff and funding)

The project would require some capital funding (c.£200k grant aid for project development and delivery) and some in-kind contributions (c.£10k for Office costs and officer time). Financial and in-kind assistance are most likely to be required from the Council, with in-kind voluntary contributions secured from local communities and organisation with an interest in the city's heritage and the skills required to bring its buildings back into sustainable re-use. The nature of resources required would depend on a variety of variables including the levels of community involvement, the legal structure of the Trust, projects undertaken and so forth.

3.5 Dependencies

Dependencies that are outside the control of the project that would or could impact on successful delivery:

1. Charity Commission Registration – it is possible that the Charity Commission would not accept the independence and charitable objects of the Nottingham Historic Buildings Trust. This is addressed in the Key Risks below.
2. Failure of the People's Hall project – the risks are explored in the People's Hall Project Risk Register.

3.6 Key Risks

1. Charity Commission do not register the Nottingham Historic Buildings Trust –
 - a. Governing documents use the Charity Commission template and guidance for the development of charitable objects
 - b. The mix of NCC and external Trustees / Directors is the same balance as other BPTs
2. The Trust cannot develop enough start-up capital to become properly established
 - a. This should be secured through the People's Hall project
 - b. Alternatively a Resilient Heritage application could be made to the HLF
3. The Nottingham Historic Buildings Trust do not have the expertise to develop heritage projects
 - a. A skills audit has been conducted to identify Trustees / Directors to fill essential gaps. Desirable skills can be brought in
4. Nottingham Historic Buildings Trust do not have the track record to secure grants –
 - a. NHT set up with senior trustees / directors who have a strong track-record of delivering heritage projects
 - b. NCC support the delivery of the project and through which develop greater heritage project skills within the authority
5. The Trust is not established with a mechanism to develop sustainability –
 - a. This should be secured through the People's Hall project
 - b. Alternatively a Resilient Heritage application could be made to the HLF to help develop capacity for further projects
6. Once established the Trust is unable to generate the required operational cash flow to meet its' objectives –
 - a. NCC may be required to provide financial assistance to ensure that the Trust is able to continue operating
 - b. NHT can borrow initial operating capital

3.7 Benefits

The benefits to NCC of the creation of the Nottingham Historic Buildings Trust are:

- The establishment of a new Building Preservation Trust for the City is a key aim of the city's Heritage Strategy and one which would take significantly more time to achieve without this opportunity.
- The Trust would be a mechanism for delivering *Heritage at Risk* projects throughout the city
- Capacity within the trust could review NCC's historic portfolio to reduce liabilities and make the most efficient use of properties
- The Trust would be a key heritage-led regeneration tool within Nottingham
- The Trust would provide skills and expertise to other community and volunteer groups further increasing the expertise and skills within the city to undertake projects involving historic properties and complex funding packages.

4.0 OPTION APPRAISAL (Economic Case)

Option 1 – Do Nothing

- Outputs and benefits – heritage benefits and outcomes outlined in sections 3.2 and 3.6 are not achieved and condition of historic buildings declines
- Outline Costs – while there is not a direct cost there are resource implications of the declining condition of historic buildings in the necessity for NCC to do enforcement action to safeguard historic buildings and the safety of the public.
- Timescales – slow decline of the historic environment
- Risks –
 - Loss of Historic Environment – loss of pride and once historic buildings are lost they are gone forever
 - Blight on the environment of the city – leading to anti-social behaviour and crime
 - Loss of reputation with heritage stakeholders
 - Need to enforce to safeguard historic buildings from collapse, fire or to make weathertight
 - Need to enforce to safeguard public safety
- Deliverability – any enforcement action is time consuming and is not easily deliverable within existing resources
- Innovation and Collaborations – this approach stifles innovation and collaboration with partners

Option 2 – Set up a registered company with a company limited by Guarantee

- Outputs and benefits – heritage benefits and outcomes outlined in sections 3.2 and 3.6 are achieved and condition of historic buildings improves with NCC insulated from financial exposure
- Outline Costs – the outline costs of establishing the Trust are included within the project costs for the People's Hall Project. The legal model chosen will be influenced by the most tax efficient model for the Trust.
- Timescales – company registered by 20th July 2018 with an application for registration to the Charity Commission
- Risks –
 - Establishment of the Trust is delayed through decision-making processes jeopardising People's Hall project funding
 - Loss of reputation with heritage funders
- Deliverability – deliverability through the People's Hall Project
- Innovation and Collaborations – this approach fosters innovation and creativity in the reuse of historic buildings within Nottingham. To deliver projects the Trust would need to work in partnership with NCC, private and Third sector partners to ensure Charitable Objects are met.

The charitable objects of the Nottingham Historic Buildings Trust would be:

- The advancement of heritage through the enhancement, repair, restoration and reuse heritage assets in Nottingham
- The advancement of education through the promotion of heritage skills and best

- practice in heritage conservation and design
- The advancement of community development in partnership to deliver regeneration in Nottingham
- The advancement of heritage through the promotion of the heritage of Nottingham

The following table shows the different legal models that could be used for the Trust:

Legal Entity	PROs	CONs
A Trust with a Company limited by guarantee	<ul style="list-style-type: none"> • Enables property ownership, profit-making and grant funding • Traditional model for rolling BPT • Once the company is set up can start operating immediately 	<ul style="list-style-type: none"> • Cannot release share offer • Managed by the Charity Commission and Companies House – extra administration
Charitable Incorporated Organisation	<ul style="list-style-type: none"> • New charitable model managed by Charity Commission • Enables property ownership, profit-making and grant funding • New model sponsored by the Charity Commission 	<ul style="list-style-type: none"> • Relatively untested • New role for the Charity Commission • Difficult to change legal models later
Community Interest Company	<ul style="list-style-type: none"> • Can release community bonds but not shares • Limited company designed for use by social enterprises 	<ul style="list-style-type: none"> • Cannot receive many types of grant-aid
Industrial and Provident Society or Community Benefits Society	<ul style="list-style-type: none"> • Co-operative business set up for the benefit of the community • Can release community shares but not bonds 	<ul style="list-style-type: none"> • Cannot receive many types of grant-aid

Analysis – of the major four types of charitable model that the Nottingham Historic Buildings Trust could use the CIO or Charitable Company Limited by Guarantee enables most different funding models to be utilised. Any of the other models would limit the avenues of funding that the trust might explore. There is also less administrative burden placed on the CIO; however, it is not tried and tested and there has been some difficulty in transferring CIOs to other legal models. Advice from the Community Share Company suggested that in the first instance for an umbrella body like the Nottingham Historic Buildings Trust the Charitable Company Limited by Guarantee legal model is used and from there further legal bodies can be created to serve different functions within NHT projects (such as Community Benefit Societies for individual projects to create community share schemes). Therefore, it is recommended that the trust uses the Charitable Company Limited by Guarantee model.

Option 3 – Set up a Charitable Incorporated Organisation

- Outputs and benefits – heritage benefits and outcomes outlined in sections 3.2 and 3.6 are achieved and condition of historic buildings improves with NCC insulated from financial exposure
- Outline Costs – the outline costs of establishing the Trust are included within the project costs for the People's Hall Project. The legal model chosen will be influenced by the most tax efficient model for the Trust.

- Timescales – company registered by 20th July 2018 with an application for registration to the Charity Commission
- Risks –
 - Establishment of the Trust is delayed through decision-making processes jeopardising People's Hall project funding
 - Loss of reputation with heritage funders
- Deliverability – deliverability through the People's Hall Project
- Innovation and Collaborations – this approach fosters innovation and creativity in the reuse of historic buildings within Nottingham. To deliver projects the Trust would need to work in partnership with NCC, private and Third sector partners to ensure Charitable Objects are met.

Option 4 – NCC deliver Building at Risk project

- Outputs and benefits – heritage benefits and outcomes outlined in sections 3.2 and 3.6 can be achieved and condition of historic buildings improves in the long-term
- Outline Costs – the costs of developing historic building projects can be significant with an element of at risk project development. It is unlikely that approvals could be achieved for this without fully funded schemes.
- Timescales – the outcomes and benefits are unlikely to be achieved for this in the short-term given current budgetary restrictions.
- Risks –
 - Delays in deliverability risk the risks seen in the do nothing option in the short-term
- Deliverability – deliverability in the short-term is unlikely given the resources necessary.
- Innovation and Collaborations – this approach can foster innovation and creativity in the reuse of historic buildings within Nottingham. To deliver projects the NCC would need to work in partnership with private and Third sector partners to ensure success.

Option 5 – Private Sector deliver Building at Risk projects

- Outputs and benefits – heritage benefits and outcomes outlined in sections 3.2 and 3.6 are not achieved in unviable buildings and their condition declines
- Outline Costs – while there is not a direct cost the declining condition of historic buildings there are resource implications in enforcement action and safeguarding public safety.
- Timescales – slow decline of the historic environment
- Risks –
 - Loss of Historic Environment – loss of pride and once historic buildings are lost they are gone forever
 - Blight on the environment of the city – leading to anti-social behaviour and crime
 - Need to enforce to safeguard historic buildings from collapse, fire or to make weathertight
 - Need to enforce to safeguard public safety
- Deliverability – There are many buildings that to date have not been secured by the private sector as their condition makes them unviable. For those buildings enforcement action is one of the only proactive means by which NCC could encourage action. Any enforcement action is time consuming for NCC and is not

- easily available within existing resources
- Innovation and Collaborations – this approach could include innovation and collaboration with NCC in viable cases but if enforcement action is needed would be a stop to collaboration.

5.0 COMMERCIAL ASPECTS (Financial Case)

Requirements

There are no procurement requirements from NCC for the the Trust. The Trust would have its own financial systems and procurement processes. It is possible that there might be future shared procurement in partners projects which would follow NCC and funders procurement requirements.

Supplier Options

Following NCC procurement rules.

Form of Contract (terms, duration, payment mechanism and performance incentives)

These would be governed by the needs of funders and within the management of individual projects.

Risk allocation and transfer

Within the preferred option financial risks lie with the Trust rather than NCC. Existing liabilities within the Historic Property Portfolio could also be tackled by the Trust reducing NCC liabilities.

Timetable

Timetable for the delivery of the Trust needs to be within the requirements of the People's Hall project plan to enable the establishment of the Trust to be fully funded. This would require the company of the Trust to be registered by 20th July 2018.

Value for Money.

Long term savings generated through the Trust with additional investment in the historic environment ensure that NCC officer time and resources in the establishment of the trust

6.0 AFFORDABILITY (Financial case)

Assessment of affordability and state available funding details:

Option	Year(s) of expenditure	Revenue (£)	Capital (£)	Total Costs (£)	Funding (£)	Efficiency Savings (£)
1 – Do Nothing	n/a	0	0	0	0	0
2 - Set up a registered company with a company limited by Guarantee	2018/19	6500	0	6500	HLF (People's Hall Project)	0
3 - Set up a Charitable Incorporated Organisation	2018/19	6500	0	6500	HLF (People's Hall Project)	0
4 - NCC deliver <i>Building at Risk</i> projects	2018-2022	50,000	200,000	250,000	NCC	-250,000
5 - Private Sector deliver <i>Building at Risk</i> projects	2018-2022	50,000	200,000	250,000	Private sector with support from NCC	0

Commentary – The costs of setting up a charitable body are negligible in comparison with the benefits and outcomes gained including the long-term reduction in liabilities on NCC's Historic Asset Portfolio. The long-term additional resources to the city are significant while NCC would have a role in selecting and prioritising projects. The set-up costs and initial viability of the Trust would be secured through the People's Hall project. Though the timeline to ensure this requires the Trust to be set up as quickly as possible. In addition the fees for NCC staff time in establishing the Trust would be included within project costs.

Tax & VAT Considerations (Provided by Gary Robbins, Senior Accountant Tax 10/07/2018)

VAT Recovery

Expenditure on any renovation works on historical buildings would be subject to VAT at standard rate. To be able to recover this VAT the party undertaking the renovation works would need to generate sufficient taxable income from the building to be VAT registered, this would require them to elect to opt to tax their interest in the building and therefore have to charge VAT on any rents and service charges to tenants. If the VAT

on the construction costs is unable to be recovered this will increase the cost of the project by 20%.

Charity Trading and Corporation Tax

Charities are able to trade to meet their charitable objectives provided the activity does not put the assets of the trust at significant risk. Such trading is known as Primary Purpose Trading and any profits arising from such trading are not subject to Corporation Tax. If the trading puts the charity's assets at risk, it must be carried out through a trading subsidiary.

Charities are also able to trade to raise funds; this activity is known as Non-Primary Purpose trading. Costs incurred in such activities must be separately identified and all profits generated are subject to Corporation Tax.

The profits of a trading subsidiary of a charity are subject to Corporation Tax, however the subsidiary can gift aid its profits to its owning charity for use in pursuit of the charity's objects to mitigate this liability with the result that no tax may be due.

Operating Model

There are a number of different potential operating models to deliver the objects of the proposal. These are

1. Through the Council
2. Through a Council owned company
3. Through the Bridge Estate Charitable Trust
4. Through a new charitable trust
5. Through a new charitable trust with a trading subsidiary

Undertaking the activity through the Council or a Council owned company is rejected as it would restrict the number of organisations from which funding could be obtained in comparison to the other models. Undertaking the activity through a Council owned company would also create a potential tax liability for the Council group as any profits would be subject to Corporation Tax.

Undertaking the activity through the Bridge Estate Charitable Trust would not create any issues from a tax perspective, however the activities would be incompatible with the objects of the charity so any trading would have to be done through a trading subsidiary. Any profits generated would have to be applied to the charitable objects of the Bridge Estate in order to retain the exemption from Corporation Tax so would not be able to be used for Heritage purposes. This option is also rejected.

The activity could be carried out through the creation of a new charitable trust with or without a trading subsidiary. The determining factors about which of these models would be the most beneficial are

- Would the charity be able to undertake the People's Hall project itself or would a trading subsidiary be required due to the level of risk to the charity's assets?
- Would all of the income generating activities that the Trust would want to carry out meet the legal definitions of Primary Purpose Trading and so be exempt from Corporation

Tax?

It is likely that the proposed Charity would require a trading subsidiary to carry out the trading activities proposed. It would therefore make sense for all of the proposed trading activities to be carried out through the trading subsidiary regardless of whether they met the Primary Purpose Trading requirements as this would simplify administrative arrangements and mean that explanations of the different activities would not need to be provided to the Charity Commission.

It is therefore recommended that the best operating model to deliver the required outcomes is to establish a charitable trust with a wholly owned trading subsidiary.

Trading Subsidiary Requirements - Tax

The governing document of the charity will need to provide the powers for the trustees to establish a trading subsidiary and to trade through it.

The trading subsidiary should be 100% owned by the charity but should not be a charity itself.

The subsidiary could be either a company limited by shares or by guarantee. From a tax perspective a company limited by shares would be a better option if the charity wanted to create separate delivery vehicles for each building that it renovated as this would enable it to use Group Relief to move cash between these vehicles. If this facility is not required then a company limited by guarantee would suffice as it restricts the liabilities of the members.

The company would need to be registered with Companies House and file Corporation Tax and VAT returns in accordance with statutory requirements. The receipt of profits from a trading subsidiary is not a taxable supply so this would not require the charity to register for VAT but it may choose to do so for other reasons.

The Charity and the company should consider registering as a VAT group, this treats the parties as a single entity for VAT purposes and simplifies the reporting requirements for VAT.

People's Hall Considerations

It is proposed that this project is undertaken by the charity through the trading company as a means of generating a sustainable income stream for the BPT project. If this scheme were to be undertaken through the trading subsidiary model

- The company would need to lease the building from its owners
- The funders would need to be willing to give funds to the company or charity would need to be able to fundraise and pass the funds to the company.
- The company would need to be VAT registered
- The company would need to opt to tax its interest in the building and charge VAT on rent
- The company would not be able to occupy the building or let it to the owner of the building, the charity or any party that had provided funding to it.

- The company would be able to recover any VAT incurred on the renovation works as long as its VATable income exceeded the registration threshold, currently £85,000 within 4 years of commencement of the works. If not the VAT would be irrecoverable and the cost of the project would increase by 20%.

7.0 ACHIEVABILITY (Project Management case)

High level plan for achieving desired outcome

The recommended approach for securing the future of *Buildings at Risk* throughout Nottingham is the Establishment of the Nottingham Historic Buildings Trust as a registered charity with a company limited by Guarantee. This option would expose NCC to least financial risk and have most opportunity to secure funding for building

Resourced through fully-funded project – The project identified for this is the People's Hall project which is fully-funded (subject to final funding applications and decisions) and would give the Nottingham Historic Buildings Trust an annual income between £20-30,000 per annum through the management of serviced office space within the building. The great benefit of this option is that it tackles a property which would otherwise be placed of the *Heritage at Risk* register; it enables the establishment of the trust and enterprise hub at minimal liabilities to the Council and finds solutions for *buildings at risk* in the short-term. This option offers the BPT the best chance of future success and sustainability and builds on the momentum that has been created through the heritage strategy. Initial set-up would be supported by NCC through the development phase of the project.

Post Foundation Additional Revenue Streams – it is recommended that the primary focus is on consultancy revenue through identifying and supporting community groups to establish single building trusts to secure buildings through community development. This needs time to be established and to build a reputation with funders and clients. The BPT could provide admin, legal, project management and funding support for the end-users/community groups increasing the likelihood of success and sustainability of projects. This consultancy could also be used to secure Council buildings where the BPT would manage heritage elements within public/ private/ third sector partnerships. Other revenue sources would be sought to give the trust financial resilience.

Outline Contingency Plan

Fully resourced – by direct funding from Council or an endowment. This would require the resolution of Council-owned *heritage at risk* in the first projects and could deliver projects immediately. The great benefit of this option is that it tackles Council properties it immediately reduces the liabilities to the Council and finds solutions for *buildings at risk* in the short-term. This option offers the BPT the best chance of future success and sustainability and builds on the momentum that has been created through the heritage strategy. Initial set-up costs might be secured by a resilience fund grant

from the HLF.

Soft Launch – If the trust could initially be established and deliver successes the case for direct operational funding from Council can be demonstrated and therefore garner greater support. If the trust could be established on a volunteer basis with support from the Heritage Support Officer and other officer time (planning, property, regeneration, legal) there are likely to be resources to initially deliver projects within a longer but still reasonable timeframe (at least double the timeframes of option 1). Initial set-up costs might be secured by a resilience fund grant from the HLF.

An endowment of cash would be required from the outset in terms of the resources set aside to dispose of Council assets. This could then be used for initial at risk work before grant-aid can be secured. Review of the *heritage at risk* register and scoping stages should identify a potential income generating property and this could be prioritised as an initial project and endowment. Such an endowment might be used to generate early partnership working and could be in the form of a short lease on a currently vacant property owned by the Council and suitable for letting.

Key roles, appropriate skills and experience - Recruitment of Trustees – Skills Audit

Board of Trustees / Directors

A key element of establishing the Trust would be to create a board of Trustees and amass members. There is no upper limit to the number of Trustees, however between three and ten people should form the Board. Members should reflect the requirements of the Charities Commission and be drawn from stakeholders across the city with expertise in the areas below. They should also be capable of representing the interests of the building owners and intended users as well as being responsible for the general management and administration of the Trust. As such there is likely to be a wide cross section of Trustees, led by a figurehead of suitable influence and political standing. Necessary Skills and Knowledge on the board and recommendations for trustees are set out below:

- Community Development Expertise - representing community interests and potential end users - identified
- Planning and development expertise – to inform project delivery – NCC Heritage Strategy Officer / Director of Planning and Regeneration
- Building Surveyor – drive project delivery with expertise in project viability - identified
- Conservation Architect – able to help inform practical elements of projects – identified
- Legal Expertise - able to negotiate the legal requirements of the organisation – identified
- Marketing – able to promote the BPT within the city and further afield – to be sought
- Nottingham City Council – necessary political support and assistance with planning issues – NCC Councillor
- Accountant– to be sought

- Nottingham's Economy – Representative from local business ideally sat on D2N2– to be sought
- Educational knowledge – able to support the Trust's educational work– to be sought

Trustees would be liable for the Trust's activities, but the financial exposure is limited within the Memorandum and is typically nominal (£10). Conflicts of interest between individual members and projects/initiatives would need to be avoided, and this is assisted by the rotation of members on a 3-5 year basis. The Memorandum and Articles of Association would be essential in securing the right Trustees as it would make their responsibilities and liabilities clear. Discussions with BPT's across the United Kingdom suggest that Trustees would be the driving force behind the success or failure of a project.

8.0 SPONSOR SIGN OFF

I confirm the information provided in this Concept is the best information available to me, as sponsor, at the time of the application and can confirm that the resources requested through this application for feasibility funding will be sufficient for an informed decision on the next stage of the project to be taken.

Signature:

Name: Paul Seddon

Position: Director of Planning and Regeneration

8.1 Next Steps

Subject to approval of the recommendations by the Portfolio Holder and Corporate Director the Nottingham Historic Buildings Trust would be registered as a charity with a company limited by Guarantee.

8.0 PROJECT ASSURANCE GROUP COMMENTS