

# Public Document Pack



**Nottingham**  
**City Council**

## **Nottingham City Council Trusts and Charities Committee**

**Date:** Monday, 25 March 2024

**Time:** 2.00 pm

**Place:** Ground Floor Committee Room - Loxley House, Station Street, Nottingham,  
NG2 3NG

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

**Director for Legal and Governance**

**Governance Officer:** Catherine Ziane-Pryor

**Direct Dial:** 0115 876 4298

- 1 Apologies for absence**
- 2 Declarations of Interest**
- 3 Minutes** 3 - 6  
Minutes of the meeting held on 18 December 2023, for confirmation
- 4 Bridge Estate Budget, Financial Accounts 2023/24 and Financial Management** 7 - 20  
Report of the Corporate Director for Finance and Resources
- 5 Bridge Estate Charity - Property Update Report** 21 - 26  
Report of the Director of Economic Development and Property
- 6 Exclusion of the public**  
To consider excluding the public from the meeting during consideration of the remaining items in accordance with Section 100A of the Local Government Act 1972, under Schedule 12A, Part 1, Paragraph 3, on the basis that, having regard to all the circumstances, the public interest in maintaining an exemption outweighs the public interest in disclosing the information
- 7 Exempt Minutes** 27 - 28  
Exempt minutes of the meeting held on 18 December 2023, for confirmation

If you need any advice on declaring an interest in any item on the agenda, please contact the Governance Officer shown above, if possible before the day of the meeting

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](http://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 Ground Floor Committee Room - Loxley House, Station Street, Nottingham, NG2 3NG on 18 December 2023 from 2.00 pm - 2.50 pm**

#### Membership

##### Present

Councillor Kirsty L Jones (Chair)  
Councillor Faith Gakanje-Ajala  
Councillor Anwar Khan  
Councillor Zafran Nawaz Khan  
Councillor Salma Mumtaz  
Councillor Sana Nasir  
Councillor Andrew Rule

##### Absent

Councillor Farzanna Mahmood  
Councillor Sarita-Marie Rehman-Wall

#### Colleagues, partners and others in attendance:

Eddie Curry - Head of Green Spaces and Natural Environment  
Bevis Mackie - Corporate Portfolio and Investment Manager  
Tom Straw - Senior Accountant (Capital Programmes)  
Catherine Ziane-Pryor - Governance Officer

#### 18 Apologies for Absence

Councillor Farzanna Mahmood  
Councillor Sarita-Marie Rehman-Wall

#### 19 Declarations of Interests

None.

#### 20 Minutes

The minutes of the meeting held on 23 October 2023 were confirmed as a true record and signed by the Chair.

#### 21 Implications of the Section 114 Notice on Trusts and Charities

Tom Straw, Senior Accountant (Capital Programmes), provided a verbal update regarding the City Council's issuing of the Section 114 Notice and resulting restrictions will impact on the activity of the Trusts and Charities relating to this committee.

The issue has been discussed at length with Legal and Finance colleagues and it has been determined that the restrictions resulting from the issuing of the 114 Notice will not affect any of the Trusts or Charities under the supervision of the Committee. However, if Commissioners are appointed in the future, it will be at their discretion if they wish to take an oversight of activity.

**22 Harvey Hadden and Highfields Draft Financial Outturn 2022/23**

Tom Straw, Senior Accountant (Capital Programmes), presented the report detailing the 2022/23 Draft Outturn for Harvey Hadden and Highfield Trust, including any variances from the previous financial year, which is an integral part of the Council's regular monitoring, forecasting and reporting system. The report enables the Committee to be aware of the financial position of the Trusts and allows any appropriate decisions or actions to be taken in the role as Trustee, and highlighted the following:

(a) Highfields Park Trust draft outturn for 2022/23 and comparisons to 2021/22 are:

	<b>2022/23</b> £	<b>2021/22</b> £
<b>Income</b>		
<b>Charitable Activities</b>		
Fees & Charges	(15,400)	(10,400)
Rents	(101,553)	(120,277)
<b>Total Income</b>	<b>(116,953)</b>	<b>(130,677)</b>
<b>Expenditure</b>		
Premises	55,426	43,118
Supplies & Services	41	384
Support Services	151,280	194,559
Third Party Payments	11,930	10,089
<b>Total Expenditure</b>	<b>218,677</b>	<b>248,150</b>
<b>Net Deficit before Grant</b>	101,724	117,473
Council Grant	(101,724)	(117,473)
Receipt from Property activity	(2,095,001)	0
<b>NET (Income) / Expenditure</b>	<b>(2,095,001)</b>	<b>0</b>

(b) The significant movements since 2021/22 include the following:

- Support Services – Decrease (£43,279), is due to a reduction in charge from the City Council for operation of the site.
- Receipt from Property Activity – Increase (£2,095,001), is to the Trust receiving a premium in relation to in year property activity, which is being held by the Trust within its Dowry to be reinvested within its charitable objectives.

(c) Harvey Hadden Trust draft outturn for 2022/23 and comparisons to 2021/22 are:

	<b>2022/23</b> £	<b>2021/22</b> £
<b>Income</b>		
Customer & Client Receipts	(39,517)	(42,696)
<b>Total Income</b>	<b>(39,517)</b>	<b>(42,696)</b>
<b>Expenditure</b>		
Premises	35,061	22,718
Supplies & Services	3,267	2,648
Support Services	95,283	69,917
Third Party Payments	1,500	22,117

<b>Total Expenditure</b>	<b>135,111</b>	<b>117,400</b>
<b>Net Deficit before Grant</b>	<b>95,594</b>	<b>74,704</b>
Council Grant	(95,594)	(74,704)
<b>NET (Income) / Expenditure</b>	<b>0</b>	<b>0</b>

- (d) The significant movements since 2021/22 include the following:
- Premises – Increase £12,343, is due to an increase in utility costs for example the electricity charge increasing by £9,558.
  - Support Services – Increase £25,366, is due to increased charged from the City Council for operation of the site.
  - Third Party Costs – Decrease (£20,617) due to one-off training costs incurred during 2021/22.
  - Grant Received from Nottingham City Council – Increase (£20,890), is to fund the increase of the Trusts in year deficit.

**Resolved to**

- (1) Note the outturn (pending independent review) for Harvey Hadden and Highfield Trusts 2022/23.**
- (2) Delegate authority to the Chair of the Trusts and Charities Committee to sign the accounts following completion of the Independent Examiners Review.**

**23 Bridge Estate Property Update Report**

Bevis Mackie, Corporate Portfolio and Investment Manager, presented the report, setting out the key property events that have taken place or are proposed for the Bridge Estate portfolio since the date of the last meeting.

**Resolved to**

- (1) Note the updates in the report and Appendix 1a relating to the individual Bridge Estate properties.**
- (2) Approve the recommended actions as set out in the Exempt Appendix 1b to the report.**
- (3) Request that suggested dates for the annual tour of the portfolio be circulated.**

**24 Exclusion of the Public**

The Committee agreed to exclude the public from the meeting during consideration of the remaining items 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 outweighed the public interest in disclosing the information, as defined in Paragraph 3 of Part 1 of Schedule 12A to the Act.

**25 Exempt Minutes**

The exempt minutes of the meeting held on 18 December 2023 were confirmed as a true record and signed by the Chair.

**26 Bridge Estate Property Update - Exempt Appendix**

Bevis Mackie, Corporate Portfolio and Investment Manager, presented the exempt appendix to the report which informs the Committee of the position of the Bridge Estate Portfolio since the last meeting.

**Resolved to approve the recommendations set out in the exempt appendix, and added to at the meeting.**

**Trusts & Charities Committee – 25<sup>th</sup> March 2024**

<b>Title of paper:</b>	Bridge Estate Budget, Financial Accounts 2023/24 and Financial Management	
<b>Director(s)/ Corporate Director(s):</b>	Ross Brown, Corporate Director Finance & Resources, Section 151 Officer	<b>Wards affected:</b> All
<b>Report author(s) and contact details:</b>	Tom Straw, Senior Accountant (Capital Programmes) <a href="mailto:thomas.straw@nottinghamcity.gov.uk">thomas.straw@nottinghamcity.gov.uk</a>	
<b>Other colleagues who have provided input:</b>	Glenn Hammons, Technical Finance Team Leader	
<b>Date of consultation with Portfolio Holder(s) (if relevant)</b>	N/A	
<b>Does this report contain any information that is exempt from publication?</b> No		
<b>Relevant Council Plan Outcome:</b>		
Green, Clean and Connected Communities	<input type="checkbox"/>	
Keeping Nottingham Working	<input type="checkbox"/>	
Carbon Neutral by 2028	<input type="checkbox"/>	
Safer Nottingham	<input type="checkbox"/>	
Child-Friendly Nottingham	<input type="checkbox"/>	
Living Well in our Communities	<input type="checkbox"/>	
Keeping Nottingham Moving	<input type="checkbox"/>	
Improve the City Centre	<input type="checkbox"/>	
Better Housing	<input type="checkbox"/>	
Serving People Well	<input type="checkbox"/>	
<b>Summary of issues (including benefits to citizens/service users):</b>		
It is best practice for the Trustees to be notified of the forecasted outturn for 2023/24 approve a balanced budget for 2024/25.		
The charity is managed within its forecasted income in 2023/24 with any surplus being applied to meet its charitable objectives:		
<ol style="list-style-type: none"> <li>1) To provide for the efficient maintenance and repair of Trent Bridge and the approaches to it.</li> <li>2) To provide a contingency fund for the possible construction of such new bridge or bridges over the River Trent as may be found necessary or desirable.</li> <li>3) To apply the residue of any income as the trustees thinks best for the improvement of the City of Nottingham and the public benefit of its inhabitants.</li> </ol>		
This report is to provide trustees an:		
<ul style="list-style-type: none"> <li>• Update on the 2023/24 financial position,</li> <li>• Approve the budget / forecast for 2024/25,</li> <li>• Note the completion of the 2022/23 account, noting any changes from reported draft position,</li> <li>• Note Bridge Estates position in relation to the recently reported concerns regarding whether funds have been used in accordance with regulations and current practice in relation to transferring residue income to Nottingham City Council.</li> <li>• Approve the enclosed charities Reserve Policy for 2024/25.</li> </ul>		
<b>Recommendation(s):</b>		
<b>1</b>	<b>Forecast 2023/24 Outturn (paragraph 5.1):</b>	

	<p>a) Noting the surplus forecast for 2023/24 is £0.678m, compared to the original approved budget surplus of £0.751m (approved at Trust and Charity Committee 27 March 2023)</p> <p>b) Approve the allocation of the forecasted surplus as follows:</p> <table border="1"> <thead> <tr> <th></th> <th>Approved Budget (March 2023) £</th> <th>Current 2023/24 Forecast £</th> <th>Movement £</th> </tr> </thead> <tbody> <tr> <td>Contribution to Bridge Repair Reserve</td> <td>100,000</td> <td>100,000</td> <td>-</td> </tr> <tr> <td>Contribution to Property Repair Reserve</td> <td>100,000</td> <td>100,000</td> <td>-</td> </tr> <tr> <td>Grant payable to City Council</td> <td>571,000</td> <td>571,000</td> <td>-</td> </tr> </tbody> </table>		Approved Budget (March 2023) £	Current 2023/24 Forecast £	Movement £	Contribution to Bridge Repair Reserve	100,000	100,000	-	Contribution to Property Repair Reserve	100,000	100,000	-	Grant payable to City Council	571,000	571,000	-
	Approved Budget (March 2023) £	Current 2023/24 Forecast £	Movement £														
Contribution to Bridge Repair Reserve	100,000	100,000	-														
Contribution to Property Repair Reserve	100,000	100,000	-														
Grant payable to City Council	571,000	571,000	-														
<b>2</b>	<p><b>Bridge Estate Budget 2024/25 (paragraph 5.2):</b></p> <p>a) To approve the Bridge Estate budget for 2024/25, noting the forecast surplus of £0.400m for allocation to achieve its charitable objectives.</p>																
<b>3</b>	<p><b>Financial Accounts 2022/23 (paragraph 5.3):</b></p> <p>a) Note that the final accounts and annual return for Bridge Estate, Harvey Hadden &amp; Highfield Leisure Park have been signed and submitted to Charity Commission.</p> <p>b) Note any movements between the draft accounts presented to the Committee and the final version.</p> <p>c) Note the enclosed external audit findings report for Bridge Estate.</p>																
<b>4</b>	<p><b>Bridge Estate Financial Management (paragraph 5.4):</b></p> <p>a) The Committee confirms, following a review, the Bridge Estate funds have been used in accordance with the regulations.</p> <p>b) The Committee will review the process through which it provides funds to Nottingham City Council during the next financial year with a view to implementing a new process for 2025/26 to ensure it continues to meet the following charitable objective: <i>‘To apply the residue of any income as the trustees think best for the improvement of the City of Nottingham and the public benefit of its inhabitants.’</i></p> <p>c) The Committee will consider whether external independent advice is required to review the contributions to Nottingham City Council alongside its charitable objectives and ensuring the Charity is achieving Value for Money (VfM).</p>																
<b>5</b>	<p><b>Bridge Estate Reserve Policy 2024/25 (paragraph 5.5):</b></p> <p>a) To approve and formally adopt the enclosed Reserve Policy for 2024/25.</p> <p>b) To note the Reserve Policy will be monitored through 2024/25 and will be subject to an annual review in March 2025.</p>																

## 1. Reasons for recommendations

- 1.1. Recommendation 1 – This report seeks to inform Trustees of the forecasted outturn position for 2023/24 and the impact of this forecast on the previously approved grant payable to Nottingham City Council.
- 1.2. Recommendation 2 – Trustees are required to approve the Bridge Estates proposed budget for 2024/25.
- 1.3. Recommendation 3 – Note the submission of the Financial Accounts for all Charities as detailed in the body of the report and any changes from the draft position previously reported.
- 1.4. Recommendation 4 – Trustees are required to note the charities compliance in relation to the use of Bridge Estate funds, and the recommended review of the process whereby residue income is transferred to Nottingham City Council.



1.5. Recommendation 5 – Approval of the enclosed Reserve Policy for 2024/25 including the recommended reserve contributions to enable the charity to have sufficient financial resilience reserves as required by the Charity Commission guidance ‘Charity reserves: building resilience (CC19)’.

## 2. Other options considered in making recommendations

- 2.1. None. As declared above it is best practice for the trustees to:
- Have a clear understanding of the charities financial position, and
  - Approve the Reserve Policy on an annual basis.

## 3. Consideration of Risk

3.1. The Reserve Policy enclosed for 2024/25 is to enable the charity to have sufficient resources and to ensure the charity meets its going concern requirement and reducing the risk in relation to any unforeseen adverse financial requirements.

## 4. Background (including outcomes of consultation)

4.1. This report is an integral part of the Bridge Estates financial monitoring and financial reporting. While enabling the Committee to be aware of the Bridge estates financial position and therefore allows any appropriate decisions or actions to be taken in their role as trustee, with regards to the:

- Final outturn position for 2022/23,
- Forecast outturn 2023/24, and
- Proposed budget 2024/25.

4.2. Concerns have been raised during 2023/24 in relation to the use of Bridge Estate funds and the transparency of how residue income is transferred to Nottingham City Council. This report confirms that Bridge Estate funds have been used in accordance with regulations and recommends a review the transfer of funds to Nottingham City Council.

4.3. The trustees are required by the Charity Commission to approve a reserve policy on an annual basis. This policy will be presented to the trustee annually at the March committee meeting for the following year’s policy. The approved policy document will be submitted to the charity commission alongside its annual accounts.

## 5. Finance colleague comments (including implications and value for money)

### 5.1. Forecast 2023/24 Outturn

5.1.1. The Bridge Estate revenue forecast has been updated from the approved position at March 2023 budget to the latest estimate. Table 1 below details the movements:

<b>Table 1: 2023/24 Forecast Outturn compared to Original Approved Budget</b>			
	<b>Original Approved Budget £m</b>	<b>Outturn Forecast £m</b>	<b>Movement £m</b>
Income	(1.675)	(1.629)	0.046
Expenditure	0.724	0.751	0.027
<b>Operating Surplus</b>	<b>(0.951)</b>	<b>(0.878)</b>	<b>0.073</b>
Contribution to Bridge Repair Reserve	0.100	0.100	0.000
Contribution to Property Repair Reserve	0.100	0.100	0.000

<b>Budgeted Surplus Available for Charitable Activities</b>	<b>(0.751)</b>	<b>(0.678)</b>	<b>0.073</b>
Approved amount allocated for Charitable Activities	(0.571)	(0.571)	0.000
<b>Surplus Retained by Bridge Estate</b>	<b>(0.180)</b>	<b>(0.107)</b>	<b>0.073</b>

5.1.2. Bridge Estate Trust has little movement between the original budget and the forecast outturn for 2023/24.

## 5.2. Bridge Estate Budget 2024/25

5.2.1. The proposed 2024/25 budget below as detailed in **Table 2** is based on the assumption that the reserve movements are as set out in section 5.5 (i.e. Bridge Estate Reserve policy) and with prudent assumptions in relation to tenant breaks and current void properties.

	<b>2023/24 Approved Budget £m</b>	<b>2024/25 Proposed Budget £m</b>	<b>Movement £m</b>
Income	(1.675)	(1.417)	0.258
Expenditure	0.724	0.730	0.006
<b>Operating Surplus</b>	<b>(0.951)</b>	<b>(0.687)</b>	<b>0.264</b>
Contribution to Bridge Repair Reserve	0.100	0.100	0.000
Contribution to Property Repair Reserve	0.100	0.100	0.000
<b>Budgeted Surplus Available for Charitable Activities</b>	<b>(0.751)</b>	<b>(0.487)</b>	<b>0.264</b>
Approved amount allocated for Charitable Activities	(0.571)	(0.400)	0.171
<b>Surplus Retained by Bridge Estate</b>	<b>(0.180)</b>	<b>(0.087)</b>	<b>0.093</b>

5.2.2. The Approved amount allocated for Charitable Activities (£0.400m) within Table 2 will be earmarked by the charity to meet the following charitable objective:

*‘To apply the residue of any income as the trustees think best for the improvement of the City of Nottingham and the public benefit of its inhabitants.’*

5.2.3. The revenue position as stated in **Table 2** is based on the following a prudent basis:

- Rental Income – Prudent assumption in relation to lease breakages and rental increase.
- Property and Operating Costs – Reviewed and uplifted where necessary.
- The Lister Gate Loan repayment, the budget forecasts annual repayments as defined in the repayment schedule. As discussed with Trustees previously forecasted capital receipts could be used to repay the significant amounts / all of the outstanding debt with no early repayment penalty, if that is action it will generate a revenue interest saving of c£0.040m plus a further cash saving of over £0.180m in relation to repayment of principle.

Bridge Estate Trust will be monitoring its Revenue Position throughout the financial year updating the budget as required following detailed reports from Property Services.

## 5.3. Financial Accounts 2022/23

5.3.1. The financial statements and annual returns were submitted to the Charity Commission on the following dates:

- Harvey Hadden Stadium and Highfields Leisure Park Trusts were submitted on the 14<sup>th</sup> February 2024,
- Bridge Estate annual return was submitted on the 20<sup>th</sup> February 2024, see paragraph 5.3.4 for details of financial movements within the Financial Statements.

5.3.2. Per Charity Commission guidelines the accounts for 2022/23 and annual return were required to be submitted by the 31<sup>st</sup> January 2024. This deadline was missed due to availability of resources within the Council, final copies of the accounts can be located on the following website:

<https://www.gov.uk/find-charity-information>

5.3.3. Following the internal review Harvey Hadden Stadium Trust and Highfields Leisure Park Trust financial statements only required narrative corrections and figures have not changed from the draft accounts presented at the October Committee.

5.3.4. The Bridge Estate Trust's draft financial statements were reported to the Committee on the 26<sup>th</sup> June 2023, the below table compares the final accounts with the draft version previously presented.

<b>Table 3: Bridge Estate Movements between Draft and Final Financial Statements</b>			
	<b>2022/23 Final £</b>	<b>2022/23 Draft £</b>	<b>Movement £</b>
<b>Income</b>			
Rent (net of movement in Loss Allowance)	(1,497,411)	(1,497,197)	(214)
Interest Received	(39,600)	(39,600)	0
Service Charges / Other	(52,355)	(52,355)	0
<b>Total Income</b>	<b>(1,589,366)</b>	<b>(1,589,152)</b>	<b>(214)</b>
<b>EXPENDITURE</b>			
<b>Raising Funds</b>			
Business Rates	250,128	250,128	0
Supplies and Services	44,859	46,556	(1,697)
Energy	46,122	56,011	(9,889)
Other	47,242	47,242	0
<b>Charitable Activities</b>			
Management and Administration	131,805	131,805	0
Surplus transferred to NCC General Fund	750,000	750,000	0
<b>Other</b>			
Interest Payable	51,110	51,110	0
<b>Total Expenditure</b>	<b>1,321,266</b>	<b>1,332,852</b>	<b>(11,586)</b>
<b>SURPLUS POSITION BEFORE MOVEMENTS TO RESERVES</b>	<b>(268,100)</b>	<b>(256,300)</b>	<b>(11,800)</b>
<b>Movement to Funds</b>			
Contribution to / (from) Bridge Repairs Fund	67,293	67,293	0
Contribution to / (from) Unrestricted Fund	200,807	189,007	11,800
<b>NET position</b>	<b>0</b>	<b>0</b>	<b>0</b>

5.3.5. The external audit identified a net misstatement of £0.013m within debtors and the bad debt provision. These were not corrected within the 2022/23 financial accountants due to being deemed immaterial.

5.3.6. Enclosed in Annex 1 is a copy of the external auditors management report for noting. This report brings the following findings to the attention of the Trustees:

- In some instances, external auditors were unable to use lease agreements to verify the rent received,
- An Estate Rent report previously used as part of audit testing is not available following an update of systems,
- There are some aged invoices raised by the Council to Bridge, it was identified that amounts have been accrued but an invoice identified was paid 14 months after its due date.

#### 5.4. Confirmation of Bridge Estate use of funds

5.4.1. During 2023/24 concerns were raised regarding the financial management of the Bridge Estate funds **Table 4** below confirms the Trust has used its funds in accordance with the regulations. Information regarding historic financial years is enclosed within Annex 2.

<b>Table 4: Finance and Transfer Summary 2022/23</b>			
	<b>2022/23</b>		
	<b>Unrestricted Fund £</b>	<b>Endowment Funds £</b>	<b>Total £</b>
Income	(1,850,245)	0	(1,850,245)
Expenditure	301,927	530,218	832,145
<b>Operating Surplus</b>	<b>(1,548,318)</b>	<b>530,218</b>	<b>(1,018,100)</b>
Grant Paid to Council	750,000	0	750,000
<b>Surplus after grant</b>	<b>(798,318)</b>	<b>530,218</b>	<b>(268,100)</b>
Transfer to Endowment	631,198	(631,198)	0
<b>Net Position</b>	<b>(167,120)</b>	<b>(100,980)</b>	<b>(268,100)</b>

5.4.2. The above table confirms that Bridge Estate:

- The statement of accounts is compiled in accordance with the relevant accounting standards, with transfers between the Unrestricted to Endowment funds is in accordance with the regulation not as reported.
- The charity has made a surplus of £268,100 after paying grant to Council of £750,000, this is split between £167,120 in the Unrestricted Fund and £100,980 in the Endowment Fund. Therefore, the Charity has not transferred to the Council more than the surplus generated.

5.4.3. As detailed in recommendation 4 b) and 4 c) the Committee should review the process where residue income is transferred to the Council. As part of this review consideration should be given as to whether the charity should engage with an independent external advisor due to perceived or actual conflicts of interest between officers acting on behalf of the Council and the Charity.

#### 5.5. Bridge Estate Reserve Policy 2024/25

5.5.1. The Bridge Estate Reserve Policy for 2024/25 is enclosed with Annex 3 for approval by the Trustees. As defined in the policy the committee has to be satisfied that the Bridge Estate has set aside sufficient receipts to manage its financial risks and liabilities.

5.5.2. The current reserve position for the Bridge Estate Trust is detailed within **Table 5**:

<b>Table 5: Reserve Forecast and Proposed Contributions</b>					
	<b>Bridge Repair Reserve £</b>	<b>Property Repair Reserve £</b>	<b>Un-Earmarked Reserve £</b>	<b>Capital Receipt Reserve £</b>	<b>Total £</b>
Balance @ 31 March 2023	(171,830)	(353,457)	(292,601)	(105,711)	(923,599)
Contribution 2023/24	(100,000)	(100,000)	(107,000)	0	(307,000)
Proposed Contribution 2024/25	(100,000)	(100,000)	(87,000)	0	(287,000)
<b>Forecast Balance</b>	<b>(371,830)</b>	<b>(553,457)</b>	<b>(486,601)</b>	<b>(105,711)</b>	<b>(1,517,599)</b>
<b>Expenditure Commitments</b>					
Governors House	0	15,262	0	105,711	120,973
Century House	0	147,903	0	0	147,903
Wheeler Gate	0	15,979	0	0	15,979
Dragon Court	0	68,000	0	0	68,000
Castle Bridge	0	110,227	0	0	110,227
<b>Uncommitted Balance</b>	<b>(371,830)</b>	<b>(196,086)</b>	<b>(486,601)</b>	<b>0</b>	<b>(1,054,517)</b>

5.5.3. It is recommended that contributions are made to reserves as detailed in above as part of the 2024/25 budget to ensure that financial risks are managed appropriately in accordance with the reserve policy.

## 6. Legal colleague comments

6.1. **TBC**

## 7. Equality Impact Assessment (EIA)

7.1. An EIA is not required because the report does not relate to new or changing policies or services.

## 8. Data Protection Impact Assessment (DPIA)

8.1. A DPIA is not required because this decision does not include any sensitive data.

## 9. Carbon Impact Assessment (CIA)

9.1. A CIA is not required because this decision is financial information only and has no CIA impact.

## 10. List of background papers relied upon in writing this report (not including published documents or confidential or exempt information)

10.1. None

## 11. Published documents referred to in this report

11.1. Bridge Estate Financial Accounts 2022/23

11.2. Harvey Hadden Stadium Trust Financial Accounts 2022/23

11.3. Highfields Leisure Park Trust Financial Accounts 2022/23



Our Ref: MB / OH / B299 / 309247

melvin@rogers-spencer.co.uk

Bridge Estate Charity  
Nottingham City Council  
Loxley House  
Station Street  
Nottingham  
NG2 3NG

26 January 2024

Dear Sirs

**Audit matters to be communicated / Findings from the audit**

The following issues arose during the course of our audit for the year ended 31/03/2023: -

- (a) A few matters (mentioned below) came to light during the course of our normal audit tests which are designed to assist us in forming our opinion on the financial statements. Our tests may not necessarily disclose all errors or irregularities and should not be relied upon to do so. However, if any irregularity did come to our attention during our audit tests, we would, of course, inform you immediately.
  - 1. Whilst confirming rents receivable to the lease agreements for the year, we noticed a few instances where there was no current formal lease in place. All estates should have an up-to-date lease or equivalent paperwork available for us to verify against the rent charges received for the year.
  - 2. Following the first point, the estate rent charges report that we rely on to check the rent receivable was out of date and did not include the new lease amounts. Please ensure this schedule is kept up to date so that we are working with complete, correct data from the start of the audit.
  - 3. Whilst reviewing purchase invoices we identified that payments for some invoices from NCC were significantly late, with one being paid 14 months late. The reason given for this was "Internal resources have caused problems raising and paying invoices - Bridge & NCC inter transactions have been given a low priority as we know we will pay each other". All NCC invoices should be paid within 30 days. It is recommended that procedures around payment are reviewed to ensure that invoices are settled on a timely basis.
- (b) A draft letter of representation is attached to this letter and we would be grateful if you could sign and approve the contents.
- (c) There are no uncorrected misstatements.
- (d) There are therefore no expected modifications to our audit report.
- (e) We have not identified any material weaknesses in internal control during the audit.

- (f) This report has been prepared for the sole use of the directors of Bridge Estate Charity and must not be shown to third parties without our prior consent. No responsibilities are accepted by Rogers Spencer towards any party acting or refraining from action as a result of this report.

Finally, we would like to express our thanks to all members of the company's staff who assisted us in carrying out our work.

Yours faithfully



# Bridge Estate Charitable Trust – Reserve Policy 2024/25

<b>Formally endorsed by</b>	Trust and Charities Committee
<b>Next Review</b>	March 2025
<b>Charity Commission Guidance</b>	Charity Commission guidance 'Charities reserves: building resilience' (CC19)

## 1. Introduction

1.1. The charity aims to maintain unrestricted funds sufficient to meet its charitable objectives as identified below:

- 1) To provide for the efficient maintenance and repair of Trent Bridge and the approaches to it.
- 2) To provide a contingency fund for the possible construction of such new bridge or bridges over the River Trent as may be found necessary or desirable.
- 3) To apply the residue of any income as the trustees think best for the improvement of the City of Nottingham and the public benefit of its inhabitants.

This policy sets out the charity's need for financial reserves.

## 2. Why does Bridge Estate need a Reserves Policy

2.1. The Charity Commission's CC19 guidance states:

'There is no single level or even a range of reserves that is right for all charities. Any target set by trustees for the level of reserves to be held should reflect the particular circumstances of the individual charity. To do this, trustees need to know why the charity should hold reserves and, having identified those needs, the trustees should consider how much should be held to meet them.'

2.2. Reserves are contributed to from the charity's unrestricted income that is freely available to spend on any of the charity's purposes. In setting a reserves policy, it is vital to understand the difference between unrestricted and endowment funds.

2.3. Unrestricted funds enable the charity to deal with sudden and unexpected reductions in income or large unforeseen items of expenditure. Endowment funds are restricted resources held until liquidised (i.e. property portfolio), upon liquidation these resources are held in a capital receipt reserve and earmarked for reinvestment in the property portfolio.

2.4. Bridge Estate requires a reserve policy for 3 principal reasons:

- To assist the Trustees to assess what a **sufficient** level of reserves needs to be recognising that this will need to reflect known events, liabilities and risks to enable it to meet its charitable objectives. Charities To clarify the arrangements for monitoring and reviewing the level of reserves.
- For compliance purposes, as standard accounting practice requires charities to report on its reserves and reserves policy in the annual statutory accounts.

### **3. Why does Bridge Estate hold unrestricted reserves**

- 3.1. Holding sufficient reserves is required so the charity can demonstrate appropriate financial management, stewardship and sustainability. This reserve policy helps to provide assurance to the charities stakeholders that the charity is being managed in a prudent manner for the best interests of its beneficiaries.
- 3.2. As part of prudent financial management the charity has considered the following areas:
- **Working Capital**, the charity needs working capital to allow it to meet its liabilities as they arise (this is a key going concern requirement). Bridge Estates unrestricted reserves largely contains cash which is immediately available, should income from its investment properties decrease the charity is able to reduce the amount it has budgeted in relation to charitable objective 3 accordingly (i.e. public benefit of its inhabitants).
  - **Financial risk**, the charity is subject to a number of financial risks, primarily around the investment properties and the potential loss of income / costs from potential void properties. The annual budget is set on a prudent basis and assumes certain levels of lease breakages / voids. If the actual financial performance of the trust is below its budgeted position, the Trustees are required to consider a reduction in the amount allocated within charitable objective (i.e. public benefit of its inhabitants) 3 and / or use unrestricted reserves. Any use of reserves is required to ensure it complies with this policy.

### **4. How will the Policy apply in practice?**

- 4.1. The Bridge Estate has 3 defined unrestricted reserves:
- **Bridge Maintenance Reserve** – set aside for maintenance of Trent Bridge (per the first charitable objective).
  - **Property Maintenance Reserve** – The charity has a large property portfolio and, to ensure its assets remain in good state of repair this reserve has been established to fund planned and unforeseen works.
  - **General Reserve** – set aside to fund unforeseen expenditure and / or enable the charity to further meet its charitable objectives.
- 4.2. The Trustees will agree a target level / annual contribution for the aforementioned reserves, which will be kept under review and reassessed regularly. The actual level of reserves at any time will be measured against this target, and appropriate action taken to make up any shortfall / utilise any surplus.

### **5. Monitoring and compliance**

- 5.1. As part of the annual budget setting the level of reserves will be reviewed at the relevant Trust and Charities Committee meeting. To identify any impact of:
- Any in year pressures,
  - Future plans / commitments.
- 5.2. Reserve levels and forecasts will be monitored regularly, with regular reports (such as outturn and budget reports) provided to the committee.

## Annex 2) Comparison of prior year use of reserves and surplus

The below table evidences that the Bridge Estate Charity has:

1. Not transferred endowment funds to the unrestricted reserve and therefore used the funds in accordance with the regulations, and
2. Has sufficient unrestricted funds after paying grant to the Council and transferring resources to the endowment fund to make a surplus within its unrestricted fund (e.g. 2022/23 = £167k, 2021/22 = £290k).

	2022/23			2021/22			2020/21(*)		
	Unrestricted Fund £	Endowment Funds £	Total £	Unrestricted Fund £	Endowment Funds £	Total £	Unrestricted Fund £	Endowment Funds £	Total £
Income	(1,850,245)	0	<b>(1,850,245)</b>	(1,835,992)	0	<b>(1,835,992)</b>	(2,147,027)	0	<b>(2,147,027)</b>
Expenditure	301,927	530,218	<b>832,145</b>	(47,994)	364,402	<b>316,408</b>	171,823	972,963	<b>1,144,786</b>
<b>Operating Surplus</b>	<b>(1,548,318)</b>	<b>530,218</b>	<b>(1,018,100)</b>	<b>(1,883,986)</b>	<b>364,402</b>	<b>(1,519,584)</b>	<b>(1,975,204)</b>	<b>972,963</b>	<b>(1,002,241)</b>
Grant Paid to Council	750,000	0	<b>750,000</b>	1,000,000	0	<b>1,000,000</b>	1,545,000	0	<b>1,545,000</b>
<b>Surplus after grant</b>	<b>(798,318)</b>	<b>530,218</b>	<b>(268,100)</b>	<b>(883,986)</b>	<b>364,402</b>	<b>(519,584)</b>	<b>(430,204)</b>	<b>972,963</b>	<b>542,759</b>
Transfer to Endowment	631,198	(631,198)	<b>0</b>	594,355	(594,355)	<b>0</b>	1,033,058	(1,033,058)	<b>0</b>
<b>Net Income before revaluations</b>	<b>(167,120)</b>	<b>(100,980)</b>	<b>(268,100)</b>	<b>(289,631)</b>	<b>(229,953)</b>	<b>(519,584)</b>	<b>602,854</b>	<b>(60,095)</b>	<b>542,759</b>
Use of reserves									
Bridge Repair Reserve			<b>0</b>			<b>0</b>	(590,462)		<b>(590,462)</b>
Property Repair Reserve			<b>0</b>			<b>0</b>	(12,392)		<b>(12,392)</b>
<b>Net Position</b>	<b>(167,120)</b>	<b>(100,980)</b>	<b>(268,100)</b>	<b>(289,631)</b>	<b>(229,953)</b>	<b>(519,584)</b>	<b>0</b>	<b>(60,095)</b>	<b>(60,095)</b>

(\*) It is worth pointing out that in 2020/21 Bridge Estate carried out its cyclical maintenance of Trent Bridge which is funded from the set aside sinking funds.

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**Trusts and Charities Committee 25th March 2024**

<b>Title of paper:</b>	Bridge Estate Property Update Report	
<b>Director(s)/ Corporate Director(s):</b>	Nicki Jenkins – Economic Development and Property	<b>Wards affected:</b> Various
<b>Report author(s) and contact details:</b>	Bevis Mackie – Corporate Portfolio & Investment Manager	
<b>Other colleagues who have provided input:</b>	Tom Straw - Senior Accountant, Capital Programmes (Technical Accounting) Malcolm Townroe – Director of Legal and Governance	
<b>Date of consultation with Portfolio Holder(s) (if relevant)</b>	N/a	
<b>Does this report contain any information that is exempt from publication?</b>		
An appendix to the report is exempt from publication under paragraph 3 of Schedule 12A to the Local Government Act 1972 because it contains information relating to the financial or business affairs of a particular person (including the authority holding the information), having regard to all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information. It is not in the public interest to disclose this information because publication may result in commercially sensitive information being revealed which could impact detrimentally on negotiations		
<b>Relevant Council Plan Outcome:</b>		
Green, Clean and Connected Communities	<input type="checkbox"/>	
Keeping Nottingham Working	<input type="checkbox"/>	
Carbon Neutral by 2028	<input type="checkbox"/>	
Safer Nottingham	<input type="checkbox"/>	
Child-Friendly Nottingham	<input type="checkbox"/>	
Living Well in our Communities	<input type="checkbox"/>	
Keeping Nottingham Moving	<input type="checkbox"/>	
Improve the City Centre	<input type="checkbox"/>	
Better Housing	<input type="checkbox"/>	
Serving People Well	<input checked="" type="checkbox"/>	
<b>Summary of issues (including benefits to citizens/service users):</b>		
The report sets out the key property events that have taken place or are proposed for the Bridge Estate portfolio since the date of the last meeting.		
<b>Recommendation(s):</b>		
<b>1</b>	That the Committee note the updates in the report and Appendix 1a relating to the individual Bridge Estate properties	
<b>2</b>	That the Committee approves the recommended actions as set out in the Exempt Appendix 1b to the report	

**1. Reasons for recommendations**

- 1.1 Appended to this report is a schedule setting out the recent activity or proposed actions relating to the individual properties within the Bridge Estate portfolio

**2. Other options considered in making recommendations**

2.1 Not applicable

**3. Consideration of Risk**

3.1 Charity Committee guidance state that the Trust may purchase and lease property for 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 to the market; - they understand any legal obligations relating to the land, such as planning restrictions; - any loan or mortgage terms are reasonable and competitive

**4. Background (including outcomes of consultation)**

4.1 Not applicable

**5. Finance colleague comments (including implications and value for money)**

5.1 Comments provided within the appendices to this report

**6. Legal colleague comments**

6.1 Comments provided within the appendices to this report

**7. Other relevant comments**

7.1 None

**8. Crime and Disorder Implications (If Applicable)**

8.1 N/A

**9. Social value considerations (If Applicable)**

9.1 N/A

**10. Regard to the NHS Constitution (If Applicable)**

10.1 N/A

**11. Equality Impact Assessment (EIA)**

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

No

An EIA is not required because this decision does not include principles for new or changing policies, services or functions (Please explain why an EIA is not necessary)

Yes

**12. Data Protection Impact Assessment (DPIA)**

12.1 Has the data protection impact of the proposals in this report been assessed?

No

A DPIA is not required because tThe decision will not involve the transfer of data to any parties. If this is required at a later date a DPIA will be completed.

Yes

**13. Carbon Impact Assessment (CIA)**

13.1 Has the carbon impact of the proposals in this report been assessed?

No

A CIA is not required because this decision is concerned matters concerning the commercial property portfolio within which tenants / prospective tenants occupy the premises for the purpose of carrying out its business activities

Yes

**14. List of background papers relied upon in writing this report (not including published documents or confidential or exempt information)**

14.1 None

**15. Published documents referred to in this report**

15.1 None

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Bridge Estate Portfolio Update

Item No.	Property name and address	Surveyors Update	Finance Comments	Legal, Procurement and/or Risk considerations	Action required by Trustees
1	34 Lister Gate, NG1 7DD	The premises are marketed 'To Let' with FHP Property Consultants in aim of securing a short-term letting.	Prudential financial assumptions included in Budget.	Advice to be provided at the meeting	For noting
2	38 Lister Gate	The premises are under-offer for lease with a prospective tenant.	Prudential financial assumptions included in Budget.	Advice to be provided at the meeting	For noting
3	24-30 Castle Gate, NG1 7AT	The property is being re-marketed 'For Sale / To Let' by Innes England.	As detailed within previous financial comments	Advice to be provided at the meeting	For noting
4	Governor's House & Judges Retiring Rooms, High Pavement, NG1 1HN	Terms for lease have been agreed with a prospective tenant, solicitors are instructed with the lease expected to complete following the completion of various internal works.	Prudential financial assumptions included in Budget.	Advice to be provided at the meeting	For noting
5	1 <sup>st</sup> , 2 <sup>nd</sup> and 3 <sup>rd</sup> Floor Premises, Century House, 8 – 18 Chapel Bar, NG1 6JD	The premises are being marketed 'To Let' by HEB Surveyors.	Prudential financial assumptions included in Budget.	Advice to be provided at the meeting	For noting

6	Former Eon Offices, Building 1, Woolsthorpe Close, Woolsthorpe Depot	The premises remain on the market available 'To Let' with Innes England.	Prudential financial assumptions included in Budget.	Advice to be provided at the meeting	For noting
7	Ground Floor 5 Castle Bridge Office Village, Lawrence Way, NG7 1GE	The premises are marketed available 'To Let' by HEB Surveyors.	Prudential financial assumptions included in Budget.	Advice to be provided at the meeting	For noting
8	Annual tour	The Trustees are asked to consider their availability to attend a tour of the property portfolio.	Not applicable	Not applicable	<b>For Approval</b>

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