

Public Document Pack



**Nottingham
City Council**

Nottingham City Council Trusts and Charities Committee

Date: Monday, 24 June 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: Phil Wye

Direct Dial: 0115 876 4637

- 1 Nomination of Vice Chair**
- 2 Declarations of Interests**
- 3 Apologies for Absence**
- 4 Minutes** 3 - 6
Minutes of the meeting held of 25 March 2024, for confirmation
- 5 Bridge Estate Property Update Report** 7 - 12
Report of the Director of Economic Development and Property
- 6 Dates of future meetings**
- 7 Exclusion of the public**
To consider excluding the public from the meeting during consideration of the remaining item(s) 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 outweighs the public interest in disclosing the information.
- 8 Exempt Minutes** 13 - 14
Exempt minutes of the meeting held on 25 March 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 are advised that this meeting may be recorded, including 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. 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 Loxley House, Nottingham on 25 March 2024
from 2.06 pm - 3.13 pm

Membership

Present

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

Absent

Councillor Zafran Nawaz Khan
Councillor Farzana Mahmood
Councillor Sarita-Marie Rehman-Wall

Colleagues, partners and others in attendance:

Bevis Mackie - Corporate Portfolio and Investment Manager
Rebecca Larmuth - Senior Surveyor
Thomas Straw - Senior Accountant, Capital Programmes
Ayanna Warner - Assistant Surveyor
Phil Wye - Governance Officer

27 Apologies for absence

Councillor Zafran Nawaz Khan
Councillor Farzana Mahmood - unwell
Councillor Sarita Rehman-Wall – personal reasons

28 Declarations of Interest

None.

29 Minutes

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

30 Bridge Estate Budget, Financial Accounts 2023/24 and Financial Management

Thomas Straw, Senior Accountant (Capital programmes), presented the report providing the Committee with an update on the forecasted outturn for 2023-24 and a balanced budget for 2024-25, highlighting the following:

- (a) for the forecast 2023-24 outturn, Bridge Estate Trust has seen little movement between the original budget and the forecast outturn, with a slight reduction in the

operating surplus;

- (b) a reduction in rental income is forecast in the 2024-25 budget, with a prudent assumption in relation to lease breakages and rental increase. Bridge Estate Trust will be monitoring its Revenue Position throughout the financial year updating the budget as required following detailed reports from Property Services;
- (c) according to Charity Commission guidelines the accounts for 2022-23 and the annual return were required to be submitted by the 31st January 2024. This deadline was missed due to availability of resources within the Council;
- (d) the external audit of the 2022-23 accounts identified a net misstatement of £0.013m within debtors and the bad debt provision. This was not corrected within the 2022-23 financial accounts due to being deemed immaterial. In some instances, external auditors were unable to use lease agreements to verify the rent received, and there are some aged invoices raised by the Council to Bridge;
- (e) during 2023-24 concerns were raised regarding the financial management of the Bridge Estate funds. Committee members were assured that 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 the grant to the Council of £750,000, which is split between the Unrestricted Fund and the Endowment Fund;
- (f) 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.

The following points were raised during the discussion which followed:

- (g) the grant to the Council is the same despite the reduced operating surplus because the unearmarked reserve has a healthy balance. The grant is expected to be lower next year based in the current forecast;
- (h) when the Charity Commission were informed that the deadline for their return would be missed they raise no concerns and no penalty was raised. The deadline is expected to be met for 2023-24 due to additional resource in the finance department;
- (i) independent external advice will need to be sought at a cost, as investigations into with Nottingham Community Voluntary Services have been unsuccessful. Draft questions will be shared with Committee members before going out and contacting specialists.

Forecast 2023-24 Outturn

Resolved to

(1) note 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);

(2) approve the allocation of the forecasted surplus as follows:

	Approved Budget (March 2023)	Current 2023-24 Forecast	Movement
Contribution to Bridge Repair Reserve	£100,000	£100,000	£0
Contribution to property Repair Reserve	£100,000	£100,000	£0
Grant payable to City Council	£571,000	£571,000	£0

(3) approve the Bridge Estate budget for 2024-25, noting the forecast surplus of £0.400m for allocation to achieve its charitable objectives.

Bridge Estate budget 2024-25

Resolved to

(4) note that the final accounts and annual return for Bridge Estate, Harvey Hadden & Highfield Leisure Park have been signed and submitted to Charity Commission;

(5) note any movements between the draft accounts presented to the Committee and the final version;

(6) note the external audit findings report for Bridge Estate.

Financial Accounts 2022-23

Resolved to

(7) confirm, following a review, the Bridge Estate funds have been used in accordance with the regulations;

(8) agree to 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: ‘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.’;

(9) agree that 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;

Bridge Estate reserve policy 2024-25

Resolved to

- (10) approve and formally adopt the Reserve Policy for 2024-25;**
- (11) note that the Reserve Policy will be monitored through 2024-25 and will be subject to an annual review in March 2025.**

31 Bridge Estate Charity - Property Update Report

Bevis Mackie, Corporate Portfolio and Investment Manager, presented the report informing the Committee of the position of the Bridge Estate Portfolio since the last meeting.

Resolved to note the updates relating to the individual Bridge Estate properties

32 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.

33 Exempt Minutes

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

34 Bridge Estate Charity - Property Update Report - 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

Trusts and Charities Committee – 24 June 2024

Title of paper:	Bridge Estate Property Update Report	
Director:	Nicki Jenkins Director of Economic Development and Property	Wards affected: Various
Report author and contact details:	Bevis Mackie – Corporate Portfolio and Investment Manager	
Other colleagues who have provided input:	Tom Straw – Senior Accountant, Capital Programmes (Technical Accounting)	
Date of consultation with Portfolio Holder	N/A	
Does this report contain any information that is exempt from publication?		
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		
Relevant Council Plan Key Outcome:		
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"/>	
Healthy and Inclusive	<input type="checkbox"/>	
Keeping Nottingham Moving	<input type="checkbox"/>	
Improve the City Centre	<input type="checkbox"/>	
Better Housing	<input type="checkbox"/>	
Financial Stability	<input type="checkbox"/>	
Serving People Well	<input checked="" 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:		
1	That the Committee note the updates in the report and Appendix 1a relating to the individual Bridge Estate properties	
2.	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 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)
12. **Data Protection Impact Assessment (DPIA)**

12.1 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.

13. Carbon Impact Assessment (CIA)

13.1 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

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.

This page is intentionally left blank

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.	None	None	For noting
2	38 Lister Gate	The premises are under-offer for lease with a prospective tenant.	None	None	For noting
Page 11	24-30 Castle Gate, NG1 7AT	The property has been marketed 'For Sale / To Let' by Innes England. Heads of terms have been agreed with a prospective purchaser for disposal of the freehold interest.	Finance comments included with exempt appendix.	Matter progressing and relevant advice is being given to support the transaction	For noting
	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 being progressed.	Finance comments included with exempt appendix.	Matter progressing and relevant advice is being given to support the transaction	For noting
5	1 st , 2 nd and 3 rd Floor Premises, Century House, 8 – 18 Chapel Bar, NG1 6JD	The premises are being marketed 'To Let' by HEB Surveyors.	None	None	For noting

6	Former Eon Offices, Building 1, Woolsthorpe Close, Woolsthorpe Depot	The premises remain on the market available 'To Let' with Innes England.	None	None	For noting
7	Ground Floor 5 Castle Bridge Office Village, Lawrence Way, NG7 1GE	The premises are marketed available 'To Let' by HEB Surveyors.	None	None	For noting
8	140 Vernon Road Old Basford NG6 0AD	The premises have been marketed 'For Sale' by HEB Surveyors, several offers were received for the freehold interest. Legal Services are instructed and it is expected the sale will complete very shortly on terms as agreed with the prospective purchaser.	Finance comments included with exempt appendix.	Matter progressing and relevant advice is being given to support the transaction	For noting
oPage 12	Annual Tour	It is proposed the Committee give consideration regarding their availability to attend a tour of the property portfolio to be carried out at a date to be agreed in due course.	Not applicable	Not applicable	For agreement

Document is Restricted

This page is intentionally left blank

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank