



NOTTINGHAM CITY COUNCIL
TRUSTS AND CHARITIES COMMITTEE

Date: Friday, 12 June 2015

Time: 2.00 pm

Place: LB32 - Loxley House, Station Street, Nottingham, NG2 3NG

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

Acting Corporate Director for Resources

Governance Officer: James Welbourn **Direct Dial:** 0115 876 3288

AGENDA

Pages

- | | | |
|----------|---|--------------------------|
| 1 | APPOINTMENT OF VICE CHAIR | |
| 2 | APOLOGIES FOR ABSENCE | |
| 3 | DECLARATIONS OF INTERESTS | |
| 4 | MINUTES
To confirm the minutes of the meeting dated 27 February 2015. | 3 - 8 |
| 5 | BRIDGE ESTATE PROPERTY PORTFOLIO UPDATE
Report of Interim Director of Strategic Asset and Property Management | 9 - 12 |
| 6 | FUTURE MEETING DATES
To consider meeting on the following Fridays at 2pm: | |
| | <u>2015</u> | <u>2016</u> |
| | 12th June | 29 th January |
| | 31 st July | 18 th March |
| | 11 th September | |
| | 27 th November | |

7 EXCLUSION OF THE PUBLIC

To consider excluding the public from the meeting during consideration of the remaining item 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 EXTENSION OF LEASE

13 - 18

Report of Interim Director for Strategic Asset and Property Management

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. 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, Station Street, on 27 February 2015 from 2.02pm to 2.50pm

Membership

Present

Councillor John Hartshorne (Chair)
Councillor Thulani Molife (Vice Chair)
Councillor Liaqat Ali
Councillor Glyn Jenkins
Councillor Carole-Ann Jones
Councillor Anne Peach

Absent

Councillor Timothy Spencer
Councillor Roger Steel
Councillor Sam Webster

Colleagues, partners and others in attendance:

Richard Cox - Senior Estates Surveyor
Barry Dryden - Senior Finance Manager
Connie Green - Litigation Assistant
Mark Leavesley - Governance Officer

30 APOLOGIES FOR ABSENCE

Councillor Spencer)
Councillor Steel) personal
Councillor Webster)
Malcolm Townroe

31 DECLARATIONS OF INTERESTS

None.

32 MINUTES

The Committee confirmed the minutes of the meeting held on 28 November as a correct record and they were signed by the Chair.

33 BRIDGE ESTATE, HARVEY HADDEN STADIUM AND HIGHFIELDS PARK TRUST - QUARTER 3 BUDGET MONITORING 2014/15

Barry Dryden, Senior Finance Manager, introduced a report of the Acting Corporate Director of Resources, detailing the forecast outturn for 2014/15 for the Bridge Estate, Highfields Leisure Park Trust and Harvey Hadden Stadium Trust, based on the third quarter's budget monitoring. The main points were as follows:

Bridge Estate

- current projections indicate that there will be an underachievement of £46,478 against the budgeted surplus and projected variances against individual budget lines are an income shortfall of £29,578, a premises underspend of £7,100 and a supplies and services overspend of £24,000 (due to the net write off of bad debt in relation to Whitemoor Court);
- there is underspend of £15,500 on maintenance costs at Woolsthorpe Close now that it is fully let. In addition, there have been savings of £2,000 on business rates due to Century House being fully let. This has been partly offset by the cost of tree works at Old Coach Road amounting to £10,400;
- Bridge Estate Capital Receipts show a shortfall in available funding in 2015-16 of £797,136 and that by 31 March 2017 the revised property portfolio will be generating net additional income of £155,227 after loan repayments;
- the Trust also holds non-property investments of £602,297, which may be realised to help meet the funding shortfall, leaving a balance of £194,839. This shortfall could notionally be covered by a loan, however, the exact timing and amount of the loan will be determined by treasury management considerations, such as the timing of the use of reserves and payment of creditors, together with any further capital receipts;
- the Trust has also established a separate reserve for the repair of Trent Bridge, with an annual contribution to the reserves of £72,000 to generate funding for the repainting of the Bridge in 2018/19;

Harvey Hadden Stadium

- Projected variances against budget are:
 - income, grounds maintenance and building repair costs have been affected by the major building works that started in July 2014, reducing the estimated net deficit by £27,894;
 - the grant from NCC will be reduced by £27,894 to match the net underspend. There will be no saving to the City Council as the staff and equipment has been temporary redeployed within the Parks and Open Space Service.

Highfields Leisure Park

- Projected variances against budget are increased boating income due to the good summer, the refund of overpayment of electricity charges in relation to the Grounds man's Hut and the grant from NCC will be reduced by £21,390 to match the net under spend.

RESOLVED

- (1) to note the forecast outturn for Bridge Estate, Harvey Hadden Stadium Trust and Highfields Leisure Park Trust;
- (2) that future reports include a section detailing how many voids there are and possible reasons for any long-term voids;
- (3) that in all future Trusts and Charities reports, any reference to 'NCC Grant' is changed to 'NCC Contribution'.

34 HARVEY HADDEN STADIUM TRUST AND HIGHFIELDS PARK TRUST BUDGET 2015/16

RESOLVED, subject to confirmation of the Council's contribution, to approve the 2015/16 budgets for Highfields Leisure Park Trust and Harvey Hadden Stadium Trust, as detailed in the report of the Acting Corporate Director of Resources.

35 BRIDGE ESTATE TRUST - BUDGET 2015/16

RESOLVED

- (1) to approve the 2015/16 budget for Bridge Estate Trust, as detailed in the report of the Acting Corporate Director of Resources;
- (2) that a report, detailing the maintenance routine and works timetable for Bridge Estate assets, be submitted to a future meeting of this Committee.

36 REVIEW OF ACCOUNTING POLICIES

Barry Dryden, Senior Finance Manager, introduced a report of the Acting Corporate Director of Resources, detailing the accounting policies for Bridge Estate Trust, Highfields Leisure Park Trust and Harvey Hadden Stadium Trust. He reported that the policies have been fully reviewed for 2014/15 and minor changes that have been made, in regards to the financial year end dates, were done in accordance with the Charity Commission's Statement of Recommended Practice (SORP).

RESOLVED to approve for inclusion in the 2014/15 Annual Report the accounting policies, as detailed in appendices 1 – 3, for the Bridge Estate Trust, Harvey Hadden Stadium Trust and Highfields Leisure Park Trust.

37 PUBLIC BENEFIT STATEMENTS 2014/15

Barry Dryden, Senior Finance Manager, introduced a report of the Acting Corporate Director of Resources, detailing the public benefit statements for the Bridge Estate Trust, Harvey Hadden Stadium Trust and Highfields Leisure Park Trust, each of which have been updated with appropriate minor changes for 2014/15. He reported that any changes made have regard to the Charity Commission's public benefit guidance.

RESOLVED to approve for inclusion in the 2014/15 Annual Report the public benefit statements, as detailed in appendices 1 – 3, for the Bridge Estate Trust, Harvey Hadden Stadium Trust and Highfields Leisure Park Trust.

38 BRIDGE ESTATE CHARITY - TREE MAINTENANCE PROGRAMME

Richard Cox, Senior Estates Surveyor, introduced a report of the Director of Strategic Asset and Property Management, detailing the proposal for Bridge Estate Trust to enter into a contract with Nottingham City Council for the annual inspection and maintenance of its tree stock. The main points were as follows:

- a recent Council survey identified approximately 291 individual trees on 12 Bridge Estate sites located within both urban and rural locations, with 107 of the trees the responsibility of Bridge Estate to manage and the remaining trees located on land leased to third parties;
- tree works have been identified using the Tree Safety Management Plan (part of the 'Urban Forestry Strategy' - <http://www.nottinghamcity.gov.uk/trees>) which gives a methodology and process to identify risk and how best to prioritise works;
- the cost for the annual maintenance of the Bridge Estate tree population of 107 will be £5,000. This would cover the following:
 - incorporation into the Council's cyclical maintenance survey and operational programme, ensuring statutory obligations are met;
 - 24 hour Emergency tree works cover;
 - full itinerary of trees stored on Tree Services Database 'Ezytreev';
 - enquiries involving trees on Bridge Estate land investigated and resolved through use of the policy set in the Urban Forestry Strategy;
 - Professional Arboriculture advice in insurance and litigation cases.

Not included (but can be carried out at extra cost):

- Stump removal;
 - Replanting of removed trees;
 - Collections of trees or plants classified as hedges;
 - Ivy/invasive plant removal from walls and building.
- The initial annual Maintenance Programme costing of £5,000 is based on:
 - initial yearly full arboricultural survey - assessing condition of tree, risk potentials (amount of potential damage) and Zones (i.e. is tree in high footfall areas). This will cost £10 per tree for a total of £1,070;
 - estimated yearly works costs - this is predicted to mainly involve crown lifting, dead wooding and epicormic removal (with the occasional removal of recently deceased trees) - £3,000 per year;
 - emergency tree cover - £500 per year;
 - administration costs - £430 per year.

RESOLVED to approve that Bridge Estate Trust enter into a contract with Nottingham City Council for the annual inspection and maintenance of its tree stock, at a cost of £5,000 per year, on the terms as detailed in the report.

39 PROPERTY EXCHANGE - 192 POPLAR STREET / 105 CARLTON ROAD

Richard Cox, Senior Estates Surveyor, introduced a report of the Director of Strategic Asset and Property Management, detailing a proposal for the exchange of Bridge Estate Trust's freehold interest in 192 Poplar Street for Nottingham City Council's freehold interest in 105 Carlton Road. The main points were as follows:

- Bridge Estate Trust owns the freehold interest in 192 Poplar Street, subject to a periodic tenancy to Learning Works for Children Limited, at a rental of £17,500pa, for use as a children's nursery;
- the property forms part of a site which has been identified as the location for a new BioScience building, which will form an extension to the adjacent BioCity complex. Nottingham City Council either owns or has acquired the remaining property interests necessary to proceed with the development and has approached Bridge Estate to acquire its interest in 192 Poplar Street;
- as part of the transaction, the City Council agreed to purchase an alternative asset, subsequently acquiring 105 Carlton Road, a two storey building with four car spaces to the front and a secure yard to the rear for car parking/outside play area. Adaption works have been carried out to ensure that the property meets the requirements of the nursery and Learning Works for Children has agreed to take a lease of the Carlton Road property on comparable terms to its existing agreement on Poplar Street;
- as this transaction is between Bridge Estate and Nottingham City Council, independent valuations by an RICS Registered Valuer were obtained for both properties;
- the valuations were carried out on the basis of market value, as defined in the Valuation Professional Standards, and the valuation of 192 Poplar Street is £212,500 (with the pro rata value of the Bridge Estate element being £155,338) and the valuation of 105 Carlton Road is £278,000.

RESOLVED to approve the exchange of Bridge Estate Trust's freehold interest in 192 Poplar Street for Nottingham City Council's freehold interest in 105 Carlton Road.

40 CENTURY HOUSE, CHAPEL BAR - REPLACEMENT OF BOILERS

Richard Cox, Senior Estates Surveyor, introduced a report of the Director of Strategic Asset and Property Management, requesting approval of the appointment of Midland Counties Heating Services Limited to provide and install replacement gas boilers at Century House, Chapel Bar, on the terms detailed in the exempt appendix. The main points were as follows:

- Bridge Estate Trust owns the freehold of Century House, Chapel Bar, a four storey building with basement, comprising a restaurant/bar on the ground floor and three floors of offices above. The building is fully let, produces a gross rental income of £130,000pa and is heated by two gas boilers located in the basement;
- the boilers no longer comply with gas safety regulations and require immediate replacement. A specification for the work was prepared by the Property Safety and Compliance Team and put out to tender. Three quotes were obtained, with the lowest tender being submitted by Midland Counties Heating Services Limited, a company that have previously carried out servicing of the existing boilers and are familiar with the heating system in the building.

RESOLVED to approve the appointment of Midland Counties Heating Services Limited to provide and install replacement gas boilers at Century House, Chapel Bar, on the terms detailed in the exempt appendix (agenda item 13).

41 DATES OF MEETINGS

RESOLVED to note the cancellation of the meeting scheduled for Friday 24 April 2015 and that the next meeting will (provisionally) be held on Friday 12 June 2015.

42 EXCLUSION OF THE PUBLIC

The Committee agreed to exclude the public from the meeting during consideration of the remaining item 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.

43 CENTURY HOUSE, CHAPEL BAR - REPLACEMENT OF BOILERS (EXEMPT APPENDIX)

RESOLVED to note the information contained within the exempt appendix.

Trusts and Charities Committee - 12 June 2015

Title of paper:	Bridge Estate Property Portfolio Update	
Director(s)/ Corporate Director(s):	Kevin Shutter, Director Strategic Asset and Property Management (Interim)	Wards affected: Various
Report author(s) and contact details:	Richard Cox – Senior Estate Surveyor. Tel 0115 8763074 Richard.cox@nottinghamcity.gov.uk	
Other colleagues who have provided input:		
Date of consultation with Portfolio Holder(s) (if relevant)		
Relevant Council Plan Strategic Priority:		
Cutting unemployment by a quarter		<input checked="" type="checkbox"/>
Cut crime and anti-social behaviour		<input type="checkbox"/>
Ensure more school leavers get a job, training or further education than any other City		<input type="checkbox"/>
Your neighbourhood as clean as the City Centre		<input type="checkbox"/>
Help keep your energy bills down		<input type="checkbox"/>
Good access to public transport		<input type="checkbox"/>
Nottingham has a good mix of housing		<input type="checkbox"/>
Nottingham is a good place to do business, invest and create jobs		<input checked="" type="checkbox"/>
Nottingham offers a wide range of leisure activities, parks and sporting events		<input type="checkbox"/>
Support early intervention activities		<input type="checkbox"/>
Deliver effective, value for money services to our citizens		<input type="checkbox"/>
Summary of issues (including benefits to citizens/service users):		
<p>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.</p>		
Recommendation(s):		
1	That Committee notes the contents of this report	

1. UPDATE

This report sets out the key Bridge Estate property transactions and events that have taken place or for which proposals have been progressed, since the date of the last meeting.

First Floor, 14-16, Wheeler Gate

The letting of the first floor café has been completed and the tenant is currently fitting out in advance of opening the new café. The lease is for a term of 3 years with a tenant only break clause after 18 months.

Units 22-24, Whitemoor Court

Progress has been made on the project to get these fire damaged industrial units re-instated. Faithful and Gould has been appointed through the EMPA Framework to review the tender information, undertake a site survey, to review changes to the structural condition of the building and to amend the design information. It will also oversee the design and build tender process and provide CDM Services during the construction phase. It is intended to take a report to this Committee in September 2015 seeking approval to appoint the contractor.

49 Hungerhill Road

Works to this motor repair garage are now complete and the property is on the market, Rental offers in excess of £14,000 per annum have been sought with a closing date of 12 June 2015

Alexander Fleming Building, Nottingham Science and Technology Park

Negotiations are continuing with the agent acting for the occupier of the Alexander Fleming Building. The lease is due to expire on October 2015; the current passing rent is £157,875 per annum.

Trent Bridge Maintenance

The painting of the road side bridge balustrades has been completed and the self sown tree on the bridge abutment to the southern approach has been removed. Unfortunately, the bid for monies from the Maintenance Challenge was not successful and works to the York stone paving and the painting of the bridge due in 2018 will have to be funded by Bridge Estate/Highways. A separate report will be presented in due course with the options and costs for the paving work.

2. OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

Not applicable as the report is for information only.

3. FINANCIAL IMPLICATIONS (INCLUDING VALUE FOR MONEY/VAT)

Not applicable.

4. RISK MANAGEMENT ISSUES (INCLUDING LEGAL IMPLICATIONS AND CRIME AND DISORDER ACT IMPLICATIONS)

None

5. EQUALITY IMPACT ASSESSMENT

Has the equality impact been assessed?

- Not needed (report does not contain proposals or financial decisions)
- No
- Yes – Equality Impact Assessment attached

Due regard should be given to the equality implications identified in the EIA.

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

None

7. **PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT**

None

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

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