



Nottingham City Council Trusts and Charities Committee

Date: Monday, 22 March 2021

Time: 1.00 pm

Place: Remote hearing - via Zoom

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 8764637

- 1 Apologies for absence**
- 2 Declarations of interest**
- 3 Minutes** 3 - 6
To confirm the minutes of the last meeting held on 7 December 2020
- 4 Bridge Estate Budget Report** 7 - 10
Report of the Strategic Director of Finance
- 5 Bridge Estate Charity - Property Update Report** 11 - 14
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 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.
- 7 Exempt Minutes** 15 - 18
To confirm the exempt minutes of the last meeting held on 7 December 2020.
- 8 Future Management of Nottingham Tennis Centre - Exempt Report** 19 - 104
Report of the Interim Director of Sport and Culture

9 Bridge Estate Property Update - Exempt appendix

105 - 114

10 Proposed date of the next meeting

For the Committee to note the proposed date of Monday 7 June, subject to Full Council approval.

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 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 remotely via Zoom on 7 December 2020 from 1.01 pm - 3.04 pm

Membership

Present

Councillor Sajid Mohammed (Chair)
Councillor Angharad Roberts (Vice Chair)
Councillor Ethan Radford
Councillor Anne Peach
Councillor Andrew Rule

Absent

Councillor Steve Battlemuch
Councillor Samuel Gardiner

Colleagues, partners and others in attendance:

Bevis Mackie - Principal Estates Surveyor
Dionne Screaton - Solicitor
Phil Wye - Governance Officer
Will Cross - Estates Surveyor
Stephen Chartres - Performance & Improvement Manager
Thomas Straw - Senior Accountant Capital Programmes

20 Apologies for absence

Councillor Steve Battlemuch – work commitments
Councillor Sam Gardiner – personal reasons

21 Declarations of Interest

None.

22 Minutes

The Committee confirmed the minutes of the meeting held on 28th September 2020 as a correct record and they were signed by the Chair.

23 Highfields & Harvey Hadden 2019/20 Draft Accounts

Tom Straw, Senior Accountant, introduced the report detailing the 2019/20 outturn for Harvey Hadden and Highfield Trusts, and detailing any variances from 2018/19.

Highfields Trust has incurred £19,179 further Support Service costs due to increased maintenance costs as required within the conditions of the Heritage Lottery Grant. Final accounts will be submitted to the Charity Commission by the end of January 2021.

Resolved to

(1) note the outturn for 2019/20;

(2) delegate authority to the Chair of the Trust & Charities Committee to sign the accounts following the internal review.

24 Bridge Estate Property Update Report

Bevis Mackie, Principal Surveyor, introduced the report setting out the key property events that have taken place or are proposed for the Bridge Estate since the date of the last meeting, highlighting the following:

- (a) the former tenant has vacated 34 Lister Gate, and the premises remain available on the market 'to let';
- (b) terms for lease have been agreed with a prospective tenant at 24-30 Castle Gate, solicitors are instructed and officers continue to press for completion;
- (c) terms for a lease at the Governor's House and Judge's Retiring Rooms on High Pavement have been agreed with a prospective tenant. Solicitors are instructed with the lease expected to complete following the delayed completion of various works in the spring;
- (d) terms have been agreed with an occupier at Building 2 Woolsthorpe Close, with the matter expected to complete shortly;
- (e) the tenant vacated the ground floor of 5 Castle Bridge Office Village on 30th September. The premises are marketed available 'to Let' by HEB surveyors at a quoting rent of £43,000 per annum exclusive;
- (f) the repainting and architectural restoration works have been completed on Trent Bridge. These costs are to be met from the Bridge Repair Reserve.

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

25 Exclusion of the public

Resolved 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 outweighs the public interest in disclosing the information.

26 Exempt Minutes

The Committee confirmed the exempt minutes of the meeting held on 28th September 2020 as a correct record and they were signed by the Chair.

27 Proposed transfer of the Nottingham Tennis Centre to new leisure provider - Exempt Item

Trusts and Charities Committee - 7.12.20

Resolved to note the contents of the exempt report.

28 Bridge Estate Property Update Report - Exempt Appendix

Resolved to approve the recommendations in the exempt report.

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TRUSTS AND CHARITIES COMMITTEE – 22nd March 2021

Title of paper:	Bridge Estate 2021/22 budget and Financial Outlook	
Director(s)/ Corporate Director(s):	Clive Heaphy – Strategic Director of Finance	Wards affected: all
Report author(s) and contact details:	Thomas Straw – Senior Accountant (Capital Programmes)	
Other colleagues who have provided input:	Sohaib Chaudhry – Senior Finance Technician Bevis Mackie – Principal Estates Surveyor Dionne Scream – Solicitor	
Date of consultation with Portfolio Holder(s) (if relevant)		
Relevant Council Plan Key Theme:		
Nottingham People		<input type="checkbox"/>
Living in Nottingham		<input type="checkbox"/>
Growing Nottingham		<input type="checkbox"/>
Respect for Nottingham		<input type="checkbox"/>
Serving Nottingham Better		<input type="checkbox"/>
Summary of issues (including benefits to citizens/service users):		
This report details the 2021/22 budget for the Bridge Estate for approvals and forecasts future years.		
Recommendation(s):		
1	For the Trustees to approve the 2021/22 budget for the Bridge Estate Trust	
2	The financial forecast for 2022/23 and 2023/24 be noted.	

1 Reasons for recommendations

- 1.1 The Trustees have responsibility for making recommendations on the management of the Charity. The budget is a key part of the framework for the financial management of the Trust and the recommendations set out the budget targets against which the performance of the Trust will be monitored.

2 Background (including outcomes of consultation)

- 2.1 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.

3 Other options considered in making recommendations

- 3.1 None

4 Finance colleague comments (including implications and value for money/VAT)

4.1 The Bridge Estate has undertaken a detailed financial forecast looking at:

- Revenue forecast 2021/22-2023/24,
- Annual sinking fund required for Trent Bridge,
- Forecast capital reserve movements

4.2 Revenue Forecast 2021/22-2023/24

An analysis of Bridge Estates property portfolio has been undertaken with prudent assumptions about rental renewals/ voids at the end of lease periods. The **table 1** below details the budget for 2021/22 and future years.

Table 1: Bridge Estate Revenue Forecast			
	2021/22	2022/23	2023/24
	£m	£m	£m
Rental Income	(1.806)	(1.464)	(1.453)
Property Costs	0.279	0.163	0.202
Net Income	(1.527)	(1.301)	(1.251)
Operating Costs	0.167	0.167	0.167
Contribution to Bridge Repair Reserve (*)	0.082	0.082	0.082
Forecast profit available as grant payment to Nottingham City Council	(1.278)	(1.052)	(1.002)

(*) Further details provided in section 4.3

The property costs within **Table 1** assume that there is sufficient capital resources to repay 66.6% of the Lister Gate debt each financial year (c£0.1m p/a). If capital receipts are not generated to cover these debt repayments then property costs will increase and the forecast surplus will reduce accordingly.

The decrease in rental income between 2021/22 and 2022/23 is largely due to the assumption regarding rental decrease in relation to the Lister Gate units.

Nottingham City Council has historically assumed that the Bridge Estate is able to /contribute **£1.5m** as part of the Bridge Estates charitable objectives. However, as detailed above if the Bridge Estate performs as forecast it generates a revenue pressure for the Council as follows.

Table 2: Grant Payment to Nottingham City compared to historic target			
	2021/22	2022/23	2023/24
	£m	£m	£m
Historic Grant Payment Target	1.545	1.545	1.545
Forecast Bridge surplus	(1.278)	(1.052)	(1.002)
Potential Grant Pressure	0.267	0.493	0.543

A further report will be presented to the committee mid 2021/22 to finalise the grant figure paid to the Council in 2021/22. This report will be able to more accurately forecast the Bridge Estates financial performance in 2021/22 (including potential receipts) while understanding future commitments.

4.3 Annual sinking fund required for Trent Bridge

The Bridge Estate Trust has extinguished the Bridge Repair Reserve when undertaking the works which were completed during 2020/21. Therefore, an annual provision is required to replenish the reserve to fund repainting and structural repairs which are forecast to be required 2035/36.

The new annual contribution is based on the 2020/21 costs inflated to 2035/36 and has been worked out as **£0.1m**, **table 3** below details the assumed costs:

Table 3: Bridge Estate Annual Bridge Sinking Fund		
	Painting and Structural £m	Internal Balustrades £m
Assumed cost	1.200	0.024
Lifecycle / Replacement	15 years	10 years
Annual assumed contribution	0.080	0.002
Total Annual Contribution	0.082	

4.4 **Forecast capital reserve movements**

Bridge Estate is currently reviewing its property portfolio to identify any low performing assets which could generate a capital receipts to enable the trust to either:

- Repay existing debt on Lister Gate,
- Maintain / Improve remaining property portfolio.

A pipeline of capital expenditure has been identified for 21/22 and beyond to maintain or improve current assets. However, for this expenditure to be committed / incurred, capital receipts are required to be secured. If there is a delay in securing the receipts the Trustees can use the revenue surplus identified in **Table 1** to fund this expenditure.

When capital expenditure decisions are required to be made by the Committee financial advice will be given at that time with regards to available funding.

5 Legal and Procurement colleague comments (including risk management issues, and legal, Crime and Disorder Act and procurement implications)

- 5.1 As the Charitable Objectives of the Bridge Estate focus on the effective maintenance and repair of Trent Bridge, the budget is a key part of the framework for the financial management of the Trust. It is paramount for the finances to be monitored and reported upon so that the Trust is able to ensure compliance with its Charitable Objectives and to ensure appropriate financial contingencies are provided for.

6 Strategic Assets & Property colleague comments (for decision relating to all property assets and associated infrastructure) (Area Committee reports only)

- 6.1 The Bridge Estate investment property portfolio is currently subject to a high level strategic review which realigns the budget position in order to ensure a sustainable, balanced and fit for purpose property portfolio which is capable of meeting the Charity's core charitable objectives and various financial commitments for the long-term.

7 Equality Impact Assessment (EIA)

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

No



An EIA is not required because this report does not establish a new service or function.

Yes

8 List of background papers other than published works or those disclosing confidential or exempt information

8.1 None

9 Published documents referred to in compiling this report

9.1 None

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 former tenant has vacated the property. The premises remain available on the market 'to let' and we continue to explore all options for re-letting.	Financial impact has been included in the financial forecast reported to the Committee.	For noting no additional legal comments.	For noting.
2	24-30 Castle Gate, NG1 7AT	The premises remain on the market available 'to let'.	Financial impact has been included in the financial forecast reported to the Committee.	For noting no additional legal comments.	For noting.
3	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 works in the Spring.	Financial impact has been included in the financial forecast reported to the Committee.	For noting no additional legal comments.	For noting
4	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.	Financial impact has been included in the financial forecast reported to the Committee.	For noting no additional legal comments.	For noting
5	Part of Ground Floor, Building 2 Woolsthorpe Close, Woolsthorpe Depot	The letting to the occupier is expected to complete shortly.	Financial impact has been included in the financial forecast reported to the Committee.	For noting no additional legal comments.	For noting

6	Building 1, Woolsthorpe Close, Woolsthorpe Depot	The former Eon offices remain on the market 'To Let' marketed by Innes England.	Financial impact has been included in the financial forecast reported to the Committee.	For noting no additional legal comments.	
7	Ground Floor 5 Castle Bridge Office Village, Lawrence Way, NG7 1GE	The premises are marketed available 'to Let' by HEB surveyors at a quoting rent of £43,000 per annum exclusive.	Financial impact has been included in the financial forecast reported to the Committee.	For noting no additional legal comments.	For noting
8	Trent Bridge	The repainting and architectural restoration works have been completed, with potentially a larger programme of refurbishment works to be carried out in the short to medium-term.	The finance report includes the amount that the Charity sets aside for future works to the Bridge (i.e. £0.082m p/a).	For noting no additional legal comments.	For noting.

Trusts and Charities Committee 22nd March 2021

Title of paper:	Bridge Estate Property Update Report		
Director(s)/ Corporate Director(s):	Nicki Jenkins – Director of Economic Development and Property	Wards affected:	Various
Report author(s) and contact details:	Bevis Mackie – Principal Surveyor 0115 876 3635 Bevis.Mackie@nottinghamcity.gov.uk		
Other colleagues who have provided input:	Dionne Scream – Solicitor (Contracts and Commercial Team) Tom Straw – Senior Accountant – Capital Programmes (Technical Accounting)		
Date of consultation with Portfolio Holder(s) (if relevant)			
Relevant Council Plan Key Theme:			
Nottingham People			<input type="checkbox"/>
Living in Nottingham			<input type="checkbox"/>
Growing Nottingham			<input checked="" type="checkbox"/>
Respect for Nottingham			<input type="checkbox"/>
Serving Nottingham Better			<input type="checkbox"/>
Summary of issues (including benefits to citizens/service users):			
The report sets out the key property events that have taken place or proposed for the Bridge Estate since the date of the last meeting.			
Recommendation(s):			
1	That the committee notes the updates relating to the individual Bridge Estate properties and approves the recommended actions as set out in the Appendix 1 to this 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. Where appropriate, specific legal and financial considerations are detailed alongside the surveyor's update to Trustees.

2 Background (including outcomes of consultation)

- 2.1 Not applicable

3 Other options considered in making recommendations

- 3.1 Not applicable as the report is for information only

4 Finance colleague comments (including implications and value for money/VAT)

- 4.1 Finance comments are contained within the appendices as required.

5 Legal and Procurement colleague comments (including risk management issues, and legal, Crime and Disorder Act and procurement implications)

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

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

5.2 The above paragraph is an extract from Charity Commission guidance to assist and remind Trustees generally about their obligations in relation to the Bridge Estate. Further legal comments in relation to individual property transactions are detailed, where necessary, within both the public and exempt appendices to this report.

6 Strategic Assets & Property colleague comments (for decision relating to all property assets and associated infrastructure) (Area Committee reports only)

6.1 Not applicable

7 Equality Impact Assessment (EIA)

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

No



An EIA is not required because:

(Please explain why an EIA is not necessary)

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

Yes



8 List of background papers other than published works or those disclosing confidential or exempt information

8.1 None

9 Published documents referred to in compiling this report

9.1 None

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