

**TRUSTS AND CHARITIES COMMITTEE – 30 November 2012**

<b>Title of paper:</b>	<b>Bridge Estate Period 6 Monitoring 2012-13</b>	
<b>Director(s)/ Corporate Director(s):</b>	Tony Kirkham Director of Strategic Finance	<b>Wards affected:</b> All
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<b>Other colleagues who have provided input:</b>		
<b>Relevant Council Plan Strategic Priority:</b>		
World Class Nottingham		
Work in Nottingham		
Safer Nottingham		
Neighbourhood Nottingham		
Family Nottingham		
Healthy Nottingham		
Leading Nottingham		✓
<b>Summary of issues (including benefits to citizens/service users):</b>		
This report details the forecast for the 2012/13 out-turn based on the second quarter's budget monitoring. In addition, the transfer of a planned maintenance budget from the Corporate provision is explained		
<b>Recommendation(s):</b>		
<b>1</b>	That the forecast for 2012/13 out-turn be noted.	
<b>2</b>	That the adjustment to the annual budget be approved.	

## 1. **BACKGROUND**

This report is an integral part of the Council's regular monitoring, forecasting and reporting system. The report enables the Trusts and Charities Committee to be aware of the financial position of the Charities and therefore allows any appropriate decisions or actions to be taken in their role as Trustee.

## 2. **QUARTER 2 BUDGET MONITORING 2012/13**

The forecast out-turn for 2012/13 based on April to September figures is detailed in Appendix 1 to this report.

Key points to note are:

- The forecast is shown in appendix 1 and shows a shortfall of net income of £0.109m against budget.
- The position has worsened since the last monitoring report due to the reassignment of a lease at Listergate. The revision to the terms of the lease to Optical Express Limited will reduce the rent income received by Bridge Estate by £0.127m in 2012/13, £0.193m in 2013/14 and £0.070m in future years. A separate report in relation to this item is included elsewhere on this agenda.
- Other income projections based on the first half year rent, known rent reviews and other income received, mitigates the above shortfall in income to £71k.
- In addition, an increase in the cost of void business rates at Century House, Woolsthorpe Close and 110-138 Mansfield Road result in an overspend against budget of £37k.

## 3. **PLANNED MAINTENANCE BUDGET**

The City Council's Corporate budget for planned maintenance for 2012/13 totals £4.393m. This has traditionally included a sum for Bridge Estate, to cover annual servicing plus cost of any remedial works following servicing, which is then recharged at the year end. The average cost of planned maintenance on Bridge Properties, including remedial works, over the past 3 years (2009-10 to 2011-12) is £75k.

In light of the clearer separation of the Bridge Estate from the City Council and to improve transparency, it is proposed to revise the Bridge Estate annual budget to include £75k for planned maintenance.

## 4. **REASONS FOR RECOMMENDATIONS (INCLUDING OUTCOMES OF CONSULTATION)**

The Trustees have responsibility for making recommendations on the management of the Charity

## 5. **OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS**

None.

6. **RISK MANAGEMENT ISSUES (INCLUDING LEGAL IMPLICATIONS, CRIME AND DISORDER ACT IMPLICATIONS AND EQUALITY AND DIVERSITY IMPLICATIONS)**

None

7. **EQUALITY IMPACT ASSESSMENTS (EIAs)**

No – this report does not include proposals for new or changing policies, services or functions

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

Budget and final account working papers.

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

None

## Bridge Estate 2012/13 Monitoring September (Period 6)

	Updated Budget 2012/13 £	Forecast 2012/13 £	(Under)/Over spend 2012/13 £
<b>External Income</b>	<b>2,030,970</b>	<b>1,960,157</b>	<b>70,813</b>
Premises Costs	196,610	233,814	37,204
Supplies & Services	24,630	26,040	1,410
Support Services	89,080	89,080	0
Replenishment of endowment Funds	14,720	14,720	0 *
<b>Expenditure before Building Maintenance Repairs</b>	<b>325,040</b>	<b>363,654</b>	<b>38,614</b>
<b>Net Surplus before Building Maintenance Repairs</b>	<b>1,705,930</b>	<b>1,596,503</b>	<b>109,427</b>
Building Maintenance Repairs	75,000	75,000	0 **
<b>Net Surplus</b>	<b>1,630,930</b>	<b>1,521,503</b>	<b>109,427</b>

\* Relates to endowment funds used for infrastructure costs which are being replenished over a number of years

\*\* See Section 3 on Planned Maintenance Budget