

TRUSTS AND CHARITIES COMMITTEE – 29 NOVEMBER 2013

Title of paper:	Quarter 2 Budget Monitoring & Forecast Outturn 2013/14 – Bridge Estate, Harvey Hadden Stadium Trust and Highfields Park Trust	
Director(s)/ Corporate Director(s):	Carole Mills Deputy Chief Executive & Corporate Director for Resources	Wards affected: All
Report author(s) and contact details:	Barry Dryden, Senior Finance Manager - Financial Reporting barry.dryden@nottinghamcity.gov.uk 0115 876 2799	
Other colleagues who have provided input:	Tracy White - Senior Finance Analyst Georgina Lewis - Finance Analyst Steve Ross - Finance Analyst	
Relevant Council Plan Strategic Priority:		
World Class Nottingham		
Work in Nottingham		
Safer Nottingham		
Neighbourhood Nottingham		
Family Nottingham		
Healthy Nottingham		
Leading Nottingham		✓
Summary of issues (including benefits to citizens/service users):		
This report details the forecast for the 2013/14 charitable trust out-turn based on the second quarter's budget monitoring.		
Recommendation(s):		
1	To note the forecast outturn for 2013/14 for the Bridge Estate, Harvey Hadden Stadium and Highfields Park Trusts.	

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 & FORECAST OUTTURN 2013/14

The forecast out-turn for the three charitable trusts for 2013/14 based on April to September figures is detailed in **Appendices 1-3** to this report.

BRIDGE ESTATE

The main points to note are:

- There is currently a forecast net shortfall of £0.355m in the surplus before the grant transfer to Nottingham City Council (NCC). If this is the actual shortfall at the year end it would result in a reduction in the grant to NCC. If no contribution is made to un-earmarked reserves, the grant reduction would fall by £0.159m.
- The main reason for the forecast shortfall is a loss of rental income. This and other projected budget variances are explained below:

Income (£385,540 shortfall) – this is primarily due to lost rental income following the sale of various properties and the timing of reinvestments in new properties. Table 1 summarises the major variances. Based on current lettings rental income will increase by £0.124m in 2014/15.

TABLE 1: INCOME VARIANCES		
Property	Reasons	£
Listergate	Changes in terms re Optical Express	192,000
Bull Close 110 Mansfield Road	Delay in acquisition	18,000
Various	Loss of income from sale	50,000
Century House / Whitemoor Avenue	Sale of properties to Confetti; loss of rent	38,000
	Significant voids	88,000
TOTAL		386,000

Premises (£45,575 underspend) – This mainly relates to reduced business rates liabilities on empty properties in Mansfield Road following rates appeals.

Support Services (£13,870 overspend) – Financial services are now charged according to the actual cost of time spent.

HARVEY HADDEN STADIUM TRUST

Key points of note are:

- a. Income (£5,000 shortfall)**
Income has reduced by £5,000 due to a decline in the casual hire of the stadium by schools.
- b.** The City Council grant offsets the deficit on the Trust's running costs. The net effect shown in **Appendix 2**, is an estimated increase in grant of £5,000.

HIGHFIELDS PARK TRUST

Key points of note are:

a. **Income (Increase of £10,548)**

Additional income from the boating lake..

- b. The City Council grant, offsets the deficit on the Trust's running costs. The net effect shown in **Appendix 3**, is an estimated reduction in grant of £10,548.

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)**

Not required as 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 2013/14 Quarter 2 Forecast

Description	Latest Budget 2013/14 £	Forecast Outturn 2013/14 £	Forecast (Under)/Over spend 2013/14 £
External Income	(2,363,300)	(1,977,760)	385,540
Premises Costs	302,440	256,865	(45,575)
Supplies & Services	47,570	48,478	908
Support Services	90,860	104,730	13,870
Interest on Borrowing	103,270	103,270	0
Expenditure	544,140	513,343	(30,797)
Surplus before NCC Grant	(1,819,160)	(1,464,417)	354,743
Less Grant to NCC	1,609,900	1,609,900	0
Net (Surplus)/Loss	(209,260)	145,483	354,743
Contribution to Funds/Reserves:			
Repairs and Renewal Funds	13,110	13,110	0
Un-earmarked Reserve	196,150	196,150	0
Unallocated (Surplus)/Loss	0	354,743	354,743

APPENDIX 2

Harvey Hadden Stadium Trust 2013/14 Quarter 2 Forecast

Description	Latest Budget 2013/14 £	Forecast Outturn 2013/14 £	Forecast (Under)/Over spend 2013/14 £
<u>INCOMING RESOURCES</u>			
<u>Incoming resources from charitable activities</u>			
Rents	25,630	20,630	(5,000)
Grants	110,020	115,020	5,000
Total Incoming Resources	135,650	135,650	0
<u>RESOURCES EXPENDED</u>			
<u>Charitable Activities</u>			
Grounds Maintenance	107,420	107,420	0
Utilities	21,500	21,500	0
Building repairs	6,730	6,730	0
Total Resources Expended	135,650	135,650	0
Net (Surplus)/Loss	0	0	0

APPENDIX 3

Highfields Park Trust 2013/14 Quarter 2 Forecast

Description	Latest Budget 2013/14 £	Forecast Outturn 2013/14 £	Forecast (Under)/Over spend 2013/14 £
<u>INCOMING RESOURCES</u>			
<u>Investment income</u>			
Interest	4,440	4,440	0
Total investment income	4,440	4,440	0
<u>Incoming resources from charitable activities</u>			
Fees & Charges	45,170	55,718	(10,548)
Rents	43,630	43,630	0
Concessions	24,210	24,210	0
Grants	102,610	92,062	10,548
Total incoming resources from charitable activities	215,620	215,620	0
Total Incoming Resources	220,060	220,060	0
<u>RESOURCES EXPENDED</u>			
<u>Charitable Activities</u>			
Grounds Maintenance	193,410	193,410	0
Utilities	23,450	23,450	0
Building repairs	3,200	3,200	0
Total resources expended on charitable activities	220,060	220,060	0
Total Resources Expended	220,060	220,060	0
Net (Surplus)/Loss	0	0	0