

TRUSTS AND CHARITIES COMMITTEE – 27 February 2015

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|--|---|------------------------|-------------------------------------|
| Title of paper: | Bridge Estate Trust - Budget 2015/16 | | |
| Corporate Director: | Glen O'Connell Acting Corporate Director for Resources | Wards affected: | All |
| Report author and contact details: | Georgina Lewis, Finance Analyst georgina.lewis@nottinghamcity.gov.uk 0115 8764227 | | |
| Other colleagues who have provided input: | Barry Dryden, Senior Finance Manager, Financial Reporting | | |
| Relevant Council Plan Strategic Priority: | | | |
| Cutting unemployment by a quarter | | | <input 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 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 checked="" type="checkbox"/> |
| Summary of issues (including benefits to citizens/service users): This report details the Budget for 2015/16 for approval | | | |
| Recommendation: | | | |
| 1 | That the 2015/16 Budget be approved. | | |

1. REASONS FOR RECOMMENDATIONS

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

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 Charity and therefore allows any appropriate decisions or actions to be taken in their role as Trustee.

3. OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

None

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

BUDGET 2015/16

The preparation of the Bridge Estate budget for 2015/16 is set out in **Table 1** and shows an anticipated surplus of £1,701,480 before the grant awarded to NCC:

| Table 1: Bridge Estate 2015/16 Budget | | | |
|--|---------------------------|-----------------|---------------------------|
| | Budget 2014/15 | Changes | Budget 2015/16 |
| | £ | £ | £ |
| External Income | (2,159,820) | (22,270) | (2,182,090) |
| Expenditure: | | | |
| Premises Costs | 208,950 | (9,470) | 199,480 |
| Supplies & Services | 41,330 | 560 | 41,890 |
| Support Services | 133,810 | 5,750 | 139,560 |
| Bridge Maintenance | 50,830 | (43,830) | 7,000 |
| Interest on Borrowing | 97,970 | (5,290) | 92,680 |
| Total Expenditure | 532,890 | (52,280) | 480,610 |
| Surplus before NCC Grant | (1,626,930) | (74,550) | (1,701,480) |
| Less Grant to NCC | 1,545,000 | 0 | 1,545,000 |
| Net Surplus | (81,930) | (74,550) | (156,480) |
| Net Contribution to Reserves: | | | |
| Repairs and Renewal Funds | 21,170 | 43,830 | 65,000 |
| Un-earmarked Reserve | 60,760 | 30,720 | 91,480 |
| Unallocated Surplus | 0 | 0 | 0 |

The overall movements between the 2014/15 and 2015/16 budgets relate to:

- Inflation, which has been applied, where appropriate, in line with the inflation rates used by NCC.
- Rent income has increased now Century House is fully let. Income should also increase at Wheeler Gate in future years.
- Premises costs in 2015-16 are envisaged to be lower than 2014-15 as the tenants at Woolsthorpe Close will be responsible for their own bills, following the installation of water meters. This reduction has been partly offset by the introduction of an annual budget of £5,000 for tree works, which is the subject of a separate report on this agenda.

- Support Services costs have increased slightly for Finance and East Midlands Shared Services costs based on the corporate methodology for charging for these services.
- The 2014/15 budget has been updated to reflect the work being carried out on the maintenance of the ornamental lighting and paintwork on the interior of the balustrades. The paintwork is due to be completed in 2015/16 at a further cost of £7,000.
- Interest on borrowing has reduced in line with the schedule of repayments on the loan for the acquisition of Lister Gate in 2012/13.

Grant to Nottingham City Council

- The table above indicates that the 2015/16 budgeted surplus before NCC grant is £1,701,480. The grant awarded to NCC remains at the same level as 2014-15 which allows the Trust to set contributions to reserves as indicated below.

Contributions to Reserves

It is proposed that the net surplus is used as follows:

- **Contribution to Repairs and Renewals Fund (£65,000)** – Trent Bridge is due to be fully repainted during 2018. The cost of the repainting and other maintenance costs is expected to be around £600,000. If contributions are maintained at £72,000 between 2015/16 and 2018/19, then the reserve will be sufficient to meet this cost.

Completion of the balustrade paintwork in 2015/16 is expected to cost around £7,000 reducing the net contribution in 2015/16 to £65,000

The table below shows the funding that will be available by 2018/19:

| Table 2: Trent Bridge Repairs and Renewals Fund | |
|--|----------------|
| | £ |
| Balance at 31 March 2014 | 266,780 |
| Projected Contribution 2014/15 | 72,000 |
| Transfer from Residential Repairs Fund | 44,833 |
| Drawdown of reserve in 2014/15 for ornamental lighting and paintwork | (50,830) |
| Projected Balance at 31 March 2015 | 332,783 |
| Net Contribution 2015/16 | 65,000 |
| Contribution 2016/17 | 72,000 |
| Contribution 2017/18 | 72,000 |
| Contribution 2018/19 | 72,000 |
| Available Funding 2018/19 | 613,783 |

- **Contribution to Un-earmarked Reserve (£91,480)** – An un-earmarked reserve was established for 2014/15 onwards to allow the Trust some flexibility in responding to variability in future surpluses or other unforeseen events, and take advantage of other opportunities that may arise. It is proposed to transfer the balance of the surplus to this reserve, increasing the reserve to £152,240.

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

None.

6. **EQUALITY IMPACT ASSESSMENT**

Not needed (report does not contain proposals or financial decisions) .

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

Budget and final account working papers.

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

None.