

TRUSTS AND CHARITIES COMMITTEE – 11 SEPTEMBER 2015

Title of paper:	Period 4 (July) Budget Monitoring 2015/16		
Director(s)/ Corporate Director(s):	Geoff Walker Director of Strategic Finance	Wards affected: All	
Report author(s) and contact details:	Barry Dryden, Senior Finance Manager Barry.dryden@nottinghamcity.gov.uk 0115 8762799		
Other colleagues who have provided input:	Georgina Lewis, Finance Analyst Steve Ross, Finance Analyst Tom Straw, Finance Analyst		
Date of consultation with Portfolio Holder(s) (if relevant)			
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 forecast outturn for 2015/16 Bridge Estate, Highfields Leisure Park Trust and Harvey Hadden Stadium Trust, based on the budget monitoring to July 2015.			
Recommendation(s):			
1	The report is for noting only		

1. REASONS FOR RECOMMENDATIONS

As Trustee, the Council has responsibility for making recommendations on the management of the Charities. The budget is a key part of the framework for the financial management of the trusts and any subsequent recommendations.

2. BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)

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.

3. **FINANCIAL ANALYSIS – PERIOD 4 BUDGET MONITORING**

3.1 **BRIDGE ESTATE - REVENUE**

The forecast outturn for 2015/16 is detailed in **Table 1**. The forecast is based on the income and expenditure to July together with anticipated future income and expenditure to the year end.

Table 1: Bridge Estate Period 4			
	Updated Budget 2015/16 £	Forecast 2015/16 £	Under/(Over) Spend 2015/16 £
Rents and Other Income	2,182,090	2,189,741	7,651
Expenditure:			
Premises	204,480	181,717	22,763
Supplies and Services	41,890	46,090	(4,200)
Support Services	139,560	139,560	0
Interest on Borrowing	92,680	92,680	0
Total Expenditure	478,610	460,047	18,563
Surplus before NCC Grant	1,703,480	1,729,694	26,214
Less Grant to NCC	1,545,000	1,578,720	(33,720)
Net Surplus	158,480	150,974	(7,506)
Contribution to Funds/Reserves			
Repairs and Renewal Funds	67,000	67,000	0
Un-Earmarked Reserve	91,480	83,974	7,506
Unallocated Surplus	0	0	0

Current projections indicate that there will be an overachievement of £33,720 against the budgeted surplus. In 2014/15, there was an underachievement against budget of £40,972 and the amount of grant paid to NCC was reduced by this amount. The payment of grant to NCC in 2015/16 will therefore be increased by £33,720 leaving a further £7,252 additional grant likely to be payable in 2016/17.

Projected variances against individual budget lines are explained below.

- **Income (£7,651 additional)** – This is made up of a number of items -
 - Additional rent against budget of £27,000 following the rent review of the cold store at the Cattle Market
 - Additional rent against budget of £7,000 following the increased rent at 140 Vernon Road
 - Additional rent against budget of £15,000 following lettings at Wheeler Gate.
 - Shortfall in income of £42,000 relates to voids at Whitemoor Court.

- **Premises (£22,763 underspend)** – There is an underspend of £5,000 on Business rates at Wheeler Gate now that it is fully let. The balance of £18,000 relates to reduced energy costs at Woolsthorpe Close.
- **Supplies and Services (£4,200 overspend)** – This relates to costs totalling £12,000 for consultants work at Woolsthorpe, offset by savings of £8,000 on letting fees and holding costs due to properties being let (Mainly Century House & Wheeler Gate).

3.2 BRIDGE ESTATE – CAPITAL

Appendix 1 shows the current projected position on Bridge Estate Capital Receipts, and the use of those receipts for capital financing. The appendix indicates that receipts of £700,436 will be available at 31st March 2016.

The Trust also holds non-property investments of £648,511, as shown in the table below:

Table 2: Bridge Estate Investments @ 31 March 2015	
	£
COIF Accumulation Units	377,483
NCC loans	269,642
Government Stocks	1,385
TOTAL	648,510

The Trust has also established a separate reserve for the repair of Trent Bridge. An annual contribution to the reserves of £72,000 is planned to generate funding for the repainting of the Bridge in 2018/19. The reserve position is as follows:

Table 3: Trent Bridge Repairs Reserve	
	£
Balance at 31 March 2015	330,699
Projected Contribution 2015/16	72,000
Drawdown of reserve in 2015/16 for completion of balustrade work	(5,000)
Projected Balance at 31 March 2016	397,699

3.3 HARVEY HADDEN STADIUM TRUST

Table 4: Harvey Hadden Stadium Period 4			
	Updated Budget 2015/16 £	Forecast 2015/16 £	(Under)/ Over Spend 2015/16 £
Income - Rents	23,000	23,000	0
Expenditure:			
Grounds Maintenance	82,410	82,410	0
Utilities	24,850	24,850	0
Building repairs	6,930	6,930	0
Finance Charges	950	950	0
Total Expenditure	115,140	115,140	0
Net Deficit before NCC Grant	(92,140)	(92,140)	0
Less NCC Grant	92,140	92,140	0
NET (INCOME)/EXPENDITURE	0	0	0

There are currently no projected variances against budget.

3.4 HIGHFIELDS LEISURE PARK TRUST

Table 5: Highfields Park Period 4

	Updated Budget 2015/16 £	Forecast 2015/16 £	Under/(Over) Spend 2015/16 £
Income:			
Investment Income	4,670	4,443	(227)
Leisure/Sporting Activities	50,470	45,000	(5,470)
Rents and Concessions	67,840	70,390	2,550
Total Income	122,980	119,833	(3,147)
Expenditure:			
Grounds Maintenance	201,110	201,110	0
Utilities	26,360	26,360	0
Building repairs	3,300	3,300	0
Finance Charges	950	950	0
Total Expenditure	231,720	231,720	0
Net Deficit before NCC Grant	(108,740)	(111,887)	(3,147)
Less NCC Grant	108,740	111,887	3,147
NET (INCOME)/EXPENDITURE	0	0	0

Significant projected variances against budget are explained below:

- Notts County Youth are no longer hiring the football facilities. A new client has been found but the facilities are being charged at a lower rate.
- Some additional rental has been obtained from casual lettings
- The grant from NCC will be increased by £3,147 to match the net over spend.

4. FINANCE COMMENTS (INCLUDING IMPLICATIONS AND VALUE FOR MONEY/VAT)

Included in the body of the report

5. LEGAL AND PROCUREMENT COMMENTS (INCLUDING RISK MANAGEMENT ISSUES, AND LEGAL, CRIME AND DISORDER ACT AND PROCUREMENT IMPLICATIONS)

None

6. EQUALITY IMPACT ASSESSMENT

Has the equality impact been assessed?

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



No

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Yes – Equality Impact Assessment attached

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

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

Budget and monitoring working papers

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

None

Appendix 1

Bridge Use of Capital Receipts 2014-15 to 2017/18			Net Revenue Impact of sales & acquisitions					
Year			£	£	2014/15	2015/16	2016/17	2017/18
2015/16		Opening Balance 1.4.15		-1,548,743	-62,068	-62,068	-62,068	-62,068
		Anticipated Receipts 2015/16						
	Re-Gears	Re-gear of a long lease at 4,815 sq yds Glaisdale Drive East		-100,000	0	240	240	240
		Total Expected Receipts		-1,648,743				
		Use of Receipts 2015/16						
	Acquisitions							
	Loan Repayment	Principal Repayment part from revenue and part from capital receipts in 2015/16		135,384	0	0	0	0
	Capital Works	Boiler Repairs - Century House due May-15	21,682		0	0	0	0
		Whitemoor Court Reinstatement works	41,241		0	0	0	0
		Whitemoor Court Reinstatement works	500,000		0	0	-28,500	-57,000
		Woolsthorpe Close demolition of Building 4	250,000	812,923	0	0	0	0
		Total anticipated Capital Expenditure 2015/16		948,307	0	240	-28,260	-56,760
		Anticipated Unused Capital Receipts at 31.3.16		-700,436	-62,068	-61,588	-90,088	-118,588
2016/17		Opening Balance 1.4.16		-700,436	-62,068	-61,588	-90,088	-118,588
		Principal Repayment part from revenue and part from capital receipts in 2015/16		130,086	0	0	0	0
		Total anticipated Capital Expenditure 2016/17		130,086	0	0	0	0
		Anticipated Unused Capital Receipts at 31.3.17		-570,350	-62,068	-61,588	-90,088	-118,588
					Net additional Income			