

TRUSTS AND CHARITIES COMMITTEE – 27 November 2015

Title of paper:	Budget Monitoring (September) 2015/16 - Bridge Estate, Harvey Hadden Stadium and Highfields Park Trust	
Director(s)/ Corporate Director(s):	Glen O'Connell Corporate Director for Resilience	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 Tracy White, Senior Finance Assistant	
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 Period 6 budget monitoring (September 15).		
Recommendation(s):		
1	That the forecast outturn for each of the trusts for 2015/16 be noted.	

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. 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.

3. FINANCIAL ANALYSIS–PERIOD 6 BUDGET MONITORING/FORECAST 2015/16

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 September together with anticipated future income and expenditure to the year end.

Table 1: Bridge Estate Period 6 Sep-15			
	Updated Budget 2015/16	Forecast 2015/16	(Under)/ Over Spend 2015/16
	£	£	£
External Income	(2,182,090)	(2,186,157)	(4,067)
Expenditure:			
Premises	204,480	201,294	(3,186)
Supplies and Services	41,890	49,118	7,228
Support Services	139,560	131,506	(8,054)
Interest on Borrowing	92,680	92,680	0
Total Expenditure	478,610	474,598	(4,012)
Surplus before NCC Grant	(1,703,480)	(1,711,559)	(8,079)
Less Grant to NCC	1,545,000	1,556,436	11,436
Net Surplus	(158,480)	(155,123)	3,357
Contribution to Funds/Reserves			
Repairs and Renewal Funds	67,000	67,000	0
Un-Earmarked Reserve	91,480	88,123	(3,357)
Unallocated Surplus	0	0	0

Current projections indicate that there will be an overachievement of £11,436 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 £11,436 leaving a further £29,536 additional grant likely to be payable by 2017/18.

Projected variances against individual budget lines are explained below.

- **Income (£4,067 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 £45,000 relates to voids at Whitemoor Court.

- **Premises (£3,186 underspend)** – There is a one off additional cost of £3,000 over budget to bring all trees up to a sustainable standard. In addition there is a sum of £20,000 in respect of Council Tax Liabilities falling within Bridge Estate. This is currently under investigation. These costs are offset by an underspend of £5,000 on Business rates at Wheeler Gate now that it is fully let and a further underspend of £21,000 relating to reduced energy costs at Woolsthorpe Close.
- **Supplies and Services (£7,228 overspend)** – This relates to costs totalling £12,000 for consultants work at Woolsthorpe, offset by savings of £5,000 on letting fees and holding costs due to properties being let (Mainly Century House & Wheeler Gate).
- **Support Services (£8,054 underspend)** – This is due to a reduction in NCC Property Management Fees.
- **Un-earmarked Reserve (£3,357 underspend)** – This contribution reduction is due to net effect of the above budget variances. The movement in Un-earmarked Reserves matches the movement in Net Surplus, this ensures that the unallocated surplus is £nil.

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 available receipts of £700,436 will be available at 31st March 2016. Note that currently, capital receipts are being used for the part repayment of principal on the loan taken out for the acquisition of Lister Gate. In 2015-16 £60,760 is being met from revenue and £135,384 is being met from capital receipts.

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

	£
COIF Accumulation Units	377,483
NCC loans	269,643
Government Stocks	1,385
TOTAL	648,511

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:

	£
Balance at 31 March 2015	330,699
Projected Contribution 2015/16	72,000
Drawdown of reserve in 2015/16 – 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 Qtr 2			
	Updated Budget 2015/16	Forecast 2015/16	(Under)/ Over Spend 2015/16
	£	£	£
Income - Rents	23,000	16,000	7,000
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	99,140	7,000
Less NCC Grant	92,140	99,140	(7,000)
NET (INCOME)/EXPENDITURE	0	0	0

Projected variances against budget are explained below:

- Income has been affected by the major building works that started in July 2014 increasing the estimated net deficit by £7,000.
- The grant from NCC will be increased by £7,000 to match the net deficit.

3.4 HIGHFIELDS LEISURE PARK TRUST

Table 5: Highfields Park Qtr 3

	Updated Budget 2015/16 £	Forecast 2015/16 £	(Under)/ Over Spend 2015/16 £
Income:			
Investment Income	4,670	4,443	227
Fees and Charges	50,470	52,155	(1,685)
Rents	43,630	43,751	(121)
Concessions	24,210	31,503	(7,293)
Total Income	122,980	131,852	(8,872)
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	99,868	(8,872)
Less NCC Grant	108,740	99,868	8,872
NET (INCOME)/EXPENDITURE	0	0	0

Projected variances against budget are explained below:

- Increased boating income due to the good summer.
- Increase in concessions income is as a result of a new tender.
- The grant from NCC will be reduced by £8,872 to match the net under spend.

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

None

6. EQUALITY IMPACT ASSESSMENT

None

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