

**TRUSTS AND CHARITIES COMMITTEE – 28 March 2014**

<b>Title of paper:</b>	<b>Harvey Hadden Stadium Trust and Highfields Leisure Park Trust - Quarter 3 Budget Monitoring 2013/14 and Budget 2014/15</b>	
<b>Director(s)/ Corporate Director(s):</b>	Carole Mills Deputy Chief Executive, Corporate Director and CFO	<b>Wards affected:</b> All
<b>Report author(s) and contact details:</b>	Steve Ross, Finance Analyst <a href="mailto:Steve.ross@nottinghamcity.gov.uk">Steve.ross@nottinghamcity.gov.uk</a> 0115 8763738	
<b>Other colleagues who have provided input:</b>	Barry Dryden, Senior Finance Manager, Financial Reporting Tracy White, Senior Finance Assistant	
<b>Date of consultation with Portfolio Holder(s) (if relevant)</b>		
<b>Relevant Council Plan Strategic Priority:</b>		
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"/>
<b>Summary of issues (including benefits to citizens/service users):</b>		
This report details the forecast outturn for 2013/14 Highfields Leisure Park Trust and Harvey Hadden Stadium Trust, based on the third quarter's budget monitoring, and the Budget for 2014/15 for approval.		
<b>Recommendation(s):</b>		
<b>1</b>	That the forecast outturn for 2013/14 be noted.	
<b>2</b>	That the 2014/15 Budget be noted as the City Council's contribution needs to be approved as part of City Council's 2014/15 budget.	

**1. REASONS FOR RECOMMENDATIONS**

The Trustees have 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 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 Charities and therefore allows any appropriate decisions or actions to be taken in their role as Trustee.

### Grant aid to Highfields Leisure Park Trust and Harvey Hadden Stadium Trust

In recent years, Nottingham City Council has awarded the following grants to Highfields Leisure Park Trust and Harvey Hadden Stadium:

<b>Financial Year</b> <i>* estimate</i>	<b>Harvey Hadden Stadium Trust</b> <b>£'000</b>	<b>Highfields Leisure Park Trust</b> <b>£'000</b>
2009/10	155	127
2010/11	128	108
2011/12	124	116
2012/13	91	110
2013/14 *	111	86

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

None

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

#### **4.1 QUARTER 3 BUDGET MONITORING/FORECAST 2013/14**

The forecast outturn for 2013/14 is detailed in **Tables 2 and 3**. The forecast is based on the expenditure to December plus anticipated future expenditure to the year end.

<b>DESCRIPTION</b>	<b>Updated Budget 2013/14</b> <b>£</b>	<b>Forecast 2013/14</b> <b>£</b>	<b>(Under)/ Over Spend 2013/14</b> <b>£</b>
<b>INCOME:</b>			
Interest	4,440	4,440	0
Fees & Charges	45,170	64,474	19,304
Rents	43,630	43,950	320
Concessions	24,210	24,930	720
Grants	102,610	86,266	(16,344)
<b>Total Income</b>	<b>220,060</b>	<b>224,060</b>	<b>4,000</b>
<b>EXPENDITURE:</b>			
Grounds Maintenance	193,410	193,410	0
Utilities	23,450	27,450	4,000
Building repairs	3,200	3,200	0
<b>Total Expenditure</b>	<b>220,060</b>	<b>224,060</b>	<b>0</b>
<b>NET INCOME/EXPENDITURE</b>	<b>0</b>	<b>0</b>	<b>0</b>

Projected variances against budget are explained below:

- Additional income from the boating lake has increased the fees and charges by £19,304 and an extra £1,040 has been taken in rents.
- Energy cost has increased by £4,000.
- As the City Council grant aids the deficit of the running costs of the Trust the net effect detailed has resulted in an estimate reduction in grant of £16,344.

<b>TABLE 3: HARVEY HADDEN STADIUM TRUST 2013/14 FORECAST @ Q3</b>			
<b>DESCRIPTION</b>	<b>Updated Budget 2013/14 £</b>	<b>Forecast 2013/14 £</b>	<b>(Under)/ Over Spend 2013/14 £</b>
<b>INCOME:</b>			
Rents	25,630	19,250	(6,380)
Grants	110,020	111,400	1,380
<b>Total Income</b>	<b>135,650</b>	<b>130,650</b>	<b>(5,000)</b>
<b>EXPENDITURE:</b>			
Grounds Maintenance	107,420	102,420	(5,000)
Utilities	21,500	21,500	0
Building repairs	6,730	6,730	0
<b>Total Expenditure</b>	<b>135,650</b>	<b>130,650</b>	<b>(5,000)</b>
<b>NET (INCOME)/EXPENDITURE</b>	<b>0</b>	<b>0</b>	<b>0</b>

Projected variances against budget are explained below:

- Income has reduced by £6,380 as a result of the major construction works around the stadium, partly offset by reduced grounds maintenance costs of £5k.
- As the City Council grant aids the deficit of the running costs of the Trust the net effect detailed has resulted in an estimate increase in grant of £1,380.

#### 4.2 BUDGET 2014/15

2014/15 budgets for Highfields Leisure Park Trust and Harvey Hadden Stadium Trust have been drafted, but the City Council's grant contribution has not yet been agreed. The budget is set out in **Tables 4 and 5**, with an analysis of movements between the 2013/14 Latest Budget to the Final Budget 2014/15

<b>TABLE 4: HIGHFIELDS LEISURE PARK TRUST DRAFT BUDGET 2014/15</b>			
<b>DESCRIPTION</b>	<b>Updated Budget 2013/14 £</b>	<b>Changes 2014/15 £</b>	<b>Budget 2014/15 £</b>
<b>INCOME:</b>			
Investment income			
Interest	4,440	190	4,630
Fees & Charges	45,170	7,000	52,170
Rents	43,630	0	43,630
Concessions	24,210	0	24,210
<b>Total Income</b>	<b>117,450</b>	<b>7,190</b>	<b>124,640</b>
<b>EXPENDITURE:</b>			
Grounds Maintenance	193,410	8,460	201,870
Utilities	23,450	1,450	24,900
Building repairs	3,200	40	3,240
<b>Total Expenditure</b>	<b>220,060</b>	<b>9,950</b>	<b>230,010</b>
<b>Net Loss before NCC Grant</b>	<b>102,610</b>	<b>2,760</b>	<b>105,370</b>
NCC Grant Received	102,610	2,760	105,370
<b>NET LOSS</b>	<b>0</b>	<b>0</b>	<b>0</b>

The overall movements between the 2013/14 and 2014/15 budgets relate to:

- Inflation, which has been applied, where appropriate, in line with the inflation rates used by NCC which reflect the actual/expected position.
- The fees and charges budget has been increased to reflect the additional boating income taken in 2013-14.

<b>TABLE 5: HARVEY HADDEN STADIUM TRUST DRAFT BUDGET 2014/15</b>			
<b>DESCRIPTION</b>	<b>Updated Budget 2013/14 £</b>	<b>Changes 2014/15 £</b>	<b>Budget 2014/15 £</b>
<b>INCOME:</b>			
Rents	25,630	-15,000	10,630
<b>Total Income</b>	<b>25,630</b>	<b>-15,000</b>	<b>10,630</b>
<b>EXPENDITURE:</b>			
Grounds Maintenance	107,420	-8,990	98,430
Rates & Utilities	21,500	1,510	23,010
Building repairs	6,730	140	6,870
<b>Total Expenditure</b>	<b>135,650</b>	<b>7,660</b>	<b>128,310</b>
<b>Net Loss before NCC Grant</b>	<b>110,020</b>	<b>7,660</b>	<b>117,680</b>
NCC Grant Received	110,020	7,660	117,680
<b>NET LOSS</b>	<b>0</b>	<b>0</b>	<b>0</b>

The overall movements between the 2013/14 and 2014/15 budgets relate to:

- Inflation, which has been applied, where appropriate, in line with the inflation rates used by NCC which reflect the actual/expected position.
- The stadium will be closed for the first six months for improvement works. It is estimated that £15k income will be lost during that time, but this short fall can be contained within reduced grounds maintenance costs resulting from the closure.

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

None

**6. EQUALITY IMPACT ASSESSMENT**

Has the equality impact been assessed?

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

No

Yes – Equality Impact Assessment attached

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 final account working papers.

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

None