

TRUST AND CHARITIES COMMITTEE – 24 NOVEMBER 2017

Title of paper:	Harvey Hadden Stadium Trust and Highfields Park Trust 2016/17 Annual Report & Financial Statements, and 2017/18 Forecast Budget Outturn		
Director(s)/ Corporate Director(s):	Laura Pattman Strategic Director of Finance	Wards affected:	All
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Date of consultation with Portfolio Holder(s) (if relevant)	N/A		
Relevant Council Plan Key Theme:			
Strategic Regeneration and Development			<input type="checkbox"/>
Schools			<input type="checkbox"/>
Planning and Housing			<input type="checkbox"/>
Community Services			<input type="checkbox"/>
Energy, Sustainability and Customer			<input type="checkbox"/>
Jobs, Growth and Transport			<input type="checkbox"/>
Adults, Health and Community Sector			<input type="checkbox"/>
Children, Early Intervention and Early Years			<input type="checkbox"/>
Leisure and Culture			<input type="checkbox"/>
Resources and Neighbourhood Regeneration			<input type="checkbox"/>
Summary of issues (including benefits to citizens/service users):			
<p>Annual reports and financial statements are required for the Highfields Park Trust and Harvey Hadden Stadium Trust, for which the City Council is the sole trustee.</p> <p>This report sets out the 2016/17 financial statements for Highfields Park Trust and Harvey Hadden Stadium Trust, are to be independently examined by the City Council's Internal Audit service as required by the Charity Commission.</p> <p>Trustees are asked to note the annual reports for Highfields Park Trust and Harvey Hadden Stadium Trusts and are recommended to delegate authority to approve the annual reports to the Chair of the Trusts and Charities Committee.</p> <p>The report sets out the quarter two forecasted income and expenditure outturn for Harvey Hadden Stadium Trust and Highfields Park Trust, for the financial year 2017/18.</p>			

Recommendation(s):	
1	Note the Highfields Park Trust financial statements for the financial year 2016/17 – Appendix 1.
2	Note the Harvey Hadden Stadium Trust financial statements for the financial year 2016/17 – Appendix 2.
3	Note the quarter 2 forecast income and expenditure for Highfields Park Trust and Harvey Hadden Stadium Trust against the 2017/18 budget.
4	Following the independent review of both Trusts' accounts delegate authority for signing off the Accounts to the Chair of the Trusts and Charities Committee.

1 REASONS FOR RECOMMENDATIONS

- 1.1 There is a statutory requirement for charities registered with the Charities Commission to produce an annual report and financial statements. These reports should be examined independently and subsequently submitted to the Charity Commission prior to 31 January 2018 following their approval.

2 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)

- 2.1 The Highfields Park Trust and Harvey Hadden Stadium Trust are charities of which Nottingham City Council (NCC) is the sole Trustee. The members of the Trust and Charities Committee are appointed by Full Council to fulfil the Council's responsibilities as Trustee and must ensure accounting records and a system of internal control is maintained for each of the charities. The Trustee is also responsible for ensuring the annual report and financial statements give a true and fair view and have been prepared in accordance with United Kingdom Accounting Standards (UK GAAP) and the Charities Act 2011.

3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

- 3.1 None

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

4.1 Highfields Park Trust

4.1.1 2016/17 Outturn

Table 1 below details the Highfields Park Trust financial performance for 2016/17. The financial information is for noting by the trustees as detailed in recommendation 1 above.

Table 1: Highfields Park Trust 2016/17 & 2015/16 Outturn

	Budget 2016/17 £	Actuals 2016/17 £	Variance 2016/17 £	Budget 2015/16 £	Actuals 2015/16 £	Variance 2015/16 £
Income:						
Investment Income	(4,710)	(2,221)	2,489	(4,670)	(4,443)	228
Fees & Charges	(49,570)	(49,827)	(257)	(49,570)	(52,251)	(2,681)
Rents	(67,840)	(83,424)	(15,584)	(67,840)	(75,629)	(7,789)
Concessions	(900)	0	900	(900)	(1,429)	(529)
Total Income	(123,020)	(135,472)	(12,452)	(122,980)	(133,751)	(10,771)
Expenditure:						
Grounds Maintenance	214,450	210,128	(4,322)	201,110	199,712	(1,398)
Utilities	17,280	18,416	1,136	25,740	15,391	(10,349)
Building Repairs	2,330	4,026	1,696	3,920	7,878	3,958
Finance Charges	960	2,450	1,490	950	2,700	1,750
Contribution to Capital Works	0	700,000	700,000	0	0	0
Total Expenditure	235,020	935,020	700,000	231,720	225,681	(6,039)
Net Deficit before NCC Grant & Capital Resource Drawdown	112,000	799,548	687,548	108,740	91,930	(16,810)
NCC Grant	(112,000)	(99,548)	12,452	(108,740)	(91,930)	16,810
Capital Resources Drawdown	0	(700,000)	(700,000)	0	0	0
NET (INCOME)/EXPENDITURE	0	0	0	0	0	0

The above table confirms that the financial performance in 2016/17 was largely on budget. The main variance was rental income performing £15,584 better than the budget.

The increased performance on rental income meant the NCC Support Grant received was reduced by £12,452.

Within table 1 there are also two exceptional items of £700,000, which were:

- £700,000 contribution towards the Capital Works at Highfields,
- £700,000 funding of the above contribution by drawing down the dowry.

4.1.2 2017/18 Budget

Table 2 below details the Highfields Park Trust forecast outturn for 2017/18. The financial information is for noting by the trustees as detailed in recommendation 3.

Table 2: Highfields Park Trust Qtr 2			
	Budget 2017/18 £	Forecast 2017/18 £	(Under)/Over Spend 2017/18 £
Income:			
Investment Income	(4,710)	(4,710)	0
Fees & Charges	(49,570)	(35,817)	13,753
Rents	(67,840)	(84,665)	(16,825)
Concessions	(900)	(900)	0
Total Income	(123,020)	(126,092)	(3,072)
Expenditure:			
Grounds Maintenance	214,450	219,413	4,963
Utilities	17,280	9,473	(7,807)
Building Repairs	2,330	8,246	5,916
Finance Charges	960	960	0
Total Expenditure	235,020	238,092	3,072
Net Deficit before NCC Grant	112,000	112,000	0
NCC Grant	(112,000)	(112,000)	0
NET (INCOME)/EXPENDITURE	0	0	0

The above table confirms that the rental income is forecast to be in line with 2016/17 performance.

The decrease in forecast for Fees and Charges is due to areas of the park being closed during the redevelopment.

The drop in Fees and Charges is outstripped by the increase in Rents, in turn this is matched by an increase in forecast expenditure. Therefore, no change is forecast for the Support Grant.

4.2 Harvey Hadden Stadium Trust

4.2.1 2016/17 Outturn

Table 3 below details the Harvey Hadden Stadium Trust forecast outturn for 2017/18. The financial information is for noting by the trustees as detailed in recommendation 2 above.

Table 3: Harvey Hadden Stadium Trust 2016/17 & 2015/16 Outturn

	Budget 2016/17 £	Actuals 2016/17 £	Variance 2016/17 £	Budget 2015/16 £	Actuals 2015/16 £	Variance 2015/16 £
Income	(23,000)	(32,680)	(9,680)	(23,000)	(24,636)	(1,636)
Expenditure:						
Grounds Maintenance	83,110	94,739	11,629	83,110	73,184	(9,926)
Utilities	26,840	20,187	(6,653)	26,840	30,116	3,276
Building Repairs	6,990	523	(6,467)	6,990	18,114	11,124
Finance Charges	960	2,450	1,490	960	2,700	1,740
Total Expenditure	117,900	117,900	0	117,900	124,113	6,213
Net Deficit before NCC Grant	94,900	85,220	(9,680)	94,900	99,477	4,577
NCC Grant	(94,900)	(85,220)	9,680	(94,900)	(99,477)	(4,577)
NET (INCOME)/ EXPENDITURE	0	0	0	0	0	0

4.2.2 2017/18 Budget

Table 2 below details the Highfields Park Trust forecast outturn for 2017/18. The financial information is for noting by the trustees as detailed in recommendation 3.

Table 4: Harvey Hadden Stadium Trust Qtr 2

	Budget 2017/18 £	Forecast 2017/18 £	(Under)/ Over Spend 2017/18 £
Income	(23,000)	(23,000)	0
Expenditure:			
Grounds Maintenance	83,110	83,110	0
Utilities	26,840	26,840	0
Building Repair	6,990	6,990	0
Finance Charges	960	960	0
Total Expenditure	110,910	110,910	0
Net Deficit before NCC Grant	94,900	94,900	0
NCC Grant	(94,900)	(94,900)	0
NET (INCOME)/EXPENDITURE	0	0	0

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

5.1 None

6 STRATEGIC ASSETS & PROPERTY COLLEAGUE COMMENTS (FOR DECISION RELATING TO ALL PROPERTY ASSETS AND ASSOCIATED INFRASTRUCTURE) (AREA COMMITTEE REPORTS ONLY)

6.1 None

7 EQUALITY IMPACT ASSESSMENT

7.1 An EIA is not required.

8 LIST OF BACKGROUND PAPERS OTHER THAN PUBLISHED WORKS OR THOSE DISCLOSING CONFIDENTIAL OR EXEMPT INFORMATION

8.1 **Appendix 1:** Highfields Park Trust Financial Statements for 2016/17
Appendix 2: Harvey Hadden Stadium Trust Financial Statements for 2016/17

9 PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT

9.1 The following published documents have been referred to in this report:

- Charities Act 2011
- The Charities (Accounts and Reports) Regulations 2008
- Statement of Recommended Practice: Accounting by Charities (the Charities SORP)