

TRUSTS AND CHARITIES COMMITTEE – 27 JULY 2012

Title of paper:	Bridge Estate Out-turn 2011-12 and Period 3 Monitoring 2012-13	
Director(s)/ Corporate Director(s):	Tony Kirkham Director of Strategic Finance	Wards affected: All
Report author(s) and contact details:	Georgina Lewis, Finance Analyst georgina.lewis@nottinghamcity.gov.uk 0115 8764227	
Other colleagues who have provided input:	Simon Peters, Acquisitions and Disposals Manager	
Relevant Council Plan Strategic Priority:		
World Class Nottingham		
Work in Nottingham		
Safer Nottingham		
Neighbourhood Nottingham		
Family Nottingham		
Healthy Nottingham		
Leading Nottingham		✓
Summary of issues (including benefits to citizens/service users):		
This report confirms the final out-turn position for 2011/12 of the Bridge Estate Charity, for which the City Council is the sole trustee. It also reports on the first quarter's budget monitoring for 2012/13.		
Recommendation(s):		
1	That the outturn for 2011/12 be noted and the Bridge Estate annual report and statement of accounts be submitted to a future meeting of the Trusts and Charities Committee.	
2	That the forecast for 2012/13 out-turn 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. FINAL OUT-TURN 2011/12

The final 2011/12 out-turn for Bridge Estate is detailed in Appendix 1 to this report.

Key points to note are:

- There was an overall net shortfall against budget of £42k.
- Income from rents was underachieved against budget by £47k due to the downturn in the economic recession.
- The 2011/12 actual for premises costs includes a refund of business rates on Woolsthorpe Close of £30k. This relates to void rate relief for the period 8 June 2009 to 7 December 2009 and which was not credited until 20 December 2011.
- The 2011/12 actual for supplies and services includes a contribution to a provision for bad debts of £28.6k, a feasibility study for Woolsthorpe Close for £11.4k and additional audit fees of £14.7k for work on the annual report.

3. QUARTER 1 BUDGET MONITORING 2012/13

The forecast out-turn for 2012/13 based on April to June figures is detailed in Appendix 2 to this report.

Key points to note are:

- The MEDIUM case forecast is shown in appendix 2 and shows a shortfall of income of £0.195m. A BEST case forecast would be a shortfall of £0.145m and WORST case forecast would be a £0.409m shortfall.
- The 2012/13 income budget includes an anticipated £0.300m additional income as a result of maximising income generation through review of investment opportunities. Slippage in this programme is projected to achieve a part year saving of £0.214m, resulting in a shortfall against budget of £86k. A confidential report is included elsewhere on this agenda which sets out the investment proposal required to achieve this. The WORST case forecast assumes that this proposal does not progress.
- Rent income projections, based on the first quarter's rents and known rent reviews, forecasts a shortfall against budget of £0.109m. The shortfalls mainly relate to Whitemoor Court, 110 – 138 Mansfield Road and Century House. The BEST case forecast assumes an additional £50k might be achieved from rent reviews.

4. **REASONS FOR RECOMMENDATIONS (INCLUDING OUTCOMES OF CONSULTATION)**

The Trustees have responsibility for making recommendations on the management of the Charity

5. **OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS**

None.

6. **RISK MANAGEMENT ISSUES (INCLUDING LEGAL IMPLICATIONS, CRIME AND DISORDER ACT IMPLICATIONS AND EQUALITY AND DIVERSITY IMPLICATIONS)**

None

7. **EQUALITY IMPACT ASSESSMENTS (EIAs)**

No – this report does not include proposals for new or changing policies, services or functions

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

Budget and final account working papers.

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

None

Bridge Estate Out-turn 2011/12

	Updated Budget 2011/12 £	Out-turn 2011/12 £	Variance 2011/12 £
External Income	1,708,510	1,661,463	47,047
Premises Costs	192,840	167,375	-25,465
Supplies & Services	27,230	76,125	48,895
Support Services	89,080	66,531	-22,549
Replenishment of Endowment Funds	14,330	13,522	-808 *
Expenditure before Building Maintenance Repairs	323,480	323,553	73
Net Surplus before Building Maintenance Repairs	1,385,030	1,337,910	47,120
Building Maintenance Repairs	69,450	64,279	-5,171
Net Surplus	1,315,580	1,273,631	41,949

* Relates to endowment funds used for infrastructure costs which are being replenished over a number of years

Bridge Estate 2012/13 Monitoring June (Period 3)

	Updated Budget 2012/13 £	Forecast 2012/13 £	Variance 2012/13 £
External Income	2,030,970	1,835,970	195,000
Premises Costs	209,290	209,290	0
Supplies & Services	11,950	11,950	0
Support Services	89,080	89,080	0
Replenishment of endowment Funds	14,720	14,720	0 *
Expenditure before Building Maintenance Repairs	325,040	325,040	0
Net Surplus before Building Maintenance Repairs	1,705,930	1,510,930	195,000
Building Maintenance Repairs	35,070	35,070	0
Net Surplus	1,670,860	1,475,860	195,000

* Relates to endowment funds used for infrastructure costs which are being replenished over a number of years