

Trusts and Charities Committee – 27 June 2022

Title of paper:	Bridge Estate Pre-Audit Financial Outturn 2021/22	
Corporate Director:	Clive Heaphy – Finance and Resources	Wards affected: All
Report author and contact details:	Thomas Straw – Senior Accountant (Capital Programmes) thomas.straw@nottinghamcity.gov.uk	
Other colleagues who have provided input:	Dionne Screamon – Senior Solicitor Bevis Mackie – Head of Commercial Property Investment Portfolio	
Date of consultation with Portfolio Holder	N/A	
Does this report contain any information that is exempt from publication? No		
Relevant Council Plan Key Outcome:		
Clean and Connected Communities	<input type="checkbox"/>	
Keeping Nottingham Working	<input type="checkbox"/>	
Carbon Neutral by 2028	<input type="checkbox"/>	
Safer Nottingham	<input type="checkbox"/>	
Child-Friendly Nottingham	<input type="checkbox"/>	
Healthy and Inclusive	<input type="checkbox"/>	
Keeping Nottingham Moving	<input type="checkbox"/>	
Improve the City Centre	<input type="checkbox"/>	
Better Housing	<input type="checkbox"/>	
Financial Stability	<input checked="" type="checkbox"/>	
Serving People Well	<input type="checkbox"/>	
Summary of issues (including benefits to citizens/service users):		
This report details the draft 2021/22 outturn for the Bridge Estate Trust (financial accounts enclosed), detailing any variance from 2020/21.		
Recommendations:		
1	That the draft outturn for 20201/22 is noted.	
2	That authority is delegated to the Chair of the Committee to sign the audited accounts on behalf of the Trust, noting that the final version of the accounts will be circulated outside of the meeting to the Committee prior to signing, and then formally circulated at a later Committee meeting.	

1. Reasons for recommendations

- 1.1 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 Trust and therefore allows any appropriate decisions or actions to be taken in their role in managing to Trust on behalf of Nottingham City Council as the sole Trustee.

- 1.2 The Bridge Estate Trusts Financial Statements are consolidated as part of Nottingham City Council's Financial Statements; therefore, the Trust is required to provide the Council with signed accounts by the 22 July 2022.
- 2. Other options considered in making recommendations**
- 2.1 Defer the signing of the financial accounts until the September Trust and Charities Committee meeting. This was rejected as deferring the accounts would mean the Trust not being able to meet the July deadline for the Council's consolidation.
- 2.2 Arrange a special Trust and Charity Committee meeting in July to enable the financial statements to be signed. This was rejected as by the June Committee meeting a significant element of the audit will be complete so no material amendments to the core statements is expected after this date. Therefore, as detailed within recommendation 2 the Committee members will be informed of any changes with the final accounts being presented in September.
- 3. Consideration of Risk**
- 3.1 The 2021/22 financial statements is a key requirement for the Bridge Estate and is required to be submitted to the Charity Commission by the 31st January 2023 and by 22nd July 2022 for consolidation in Nottingham City Council's group accounts.
- 4. Background (including outcomes of consultation)**
- 4.1 As Trustee, the Council has responsibility for making recommendations on the management of Charities. The financial outturn is a key part of the framework for the financial management of the trusts and any subsequent recommendations.
- 5. Finance colleague comments (including implications and value for money)**
- 5.1 Table 1 below presents the 2021/22-year end draft position for the Bridge Estate, further details can be found in the enclosed Draft Financial Statement.

Table 1: Bridge Estate Pre Audit Financial Position				
Statement Reference	Detail	Draft 2021/22 £	Final 2020/21 £	Variance £
Income post Loss Allowance adjustment	External Income	(1,940,726)	(2,025,424)	84,698
	Expenditure			
Raising Funds	Direct Property Costs	282,274	127,258	155,016
Charitable Activities	Support Services	151,200	169,350	(18,150)
Other	Debt Interest Costs	55,978	60,844	(4,866)
Charitable Activities	Bridge Repairs	0	665,731	(665,731)
	Surplus before NCC Grant	(1,451,274)	(1,002,241)	(449,033)
Transfer to NCC	Grant to NCC	1,000,000	1,545,000	(545,000)
Part of Transfer between funds	Transfer from Bridge Reserve	0	(665,731)	665,731
	Net (Surplus) / Deficit	(451,274)	(122,972)	(328,302)

5.2 Variances between 2021/22 and 2020/21 greater than £100,000 are explained below:

- Raising Funds £155,016, majority of this increase is due to increased holding costs for void properties and increased revenue repairs in year;
- Grant to NCC (£545,000), reduction in grant paid to NCC during 2021/22 was due to reduced net profit in year and an element of surplus being ringfenced for property repairs identified at March committee;
- Bridge Repairs (£665,731), expenditure is in relation to significant works carried out during 2020/21.

5.3 Bridge Estate – Reserve Position

5.4 Table 2 below details the position of the Bridge Estate Reserves

	Bridge Repair Fund £	Asset Repair Fund £	Un-Earmarked Reserve £	Capital Receipt Reserve £	Total £
Balance at 31 March 2021	0	284,633	88,831	105,711	479,175
Contribution from Surplus	104,537	120,000	226,737	0	451,274
Other in year movements	0	(49,670)	(180,283)	0	(229,953)
Balance at 31 March 2022	104,537	354,963	135,285	105,711	700,496
Commitments					
Governors House	0	(152,875)	0	0	(152,875)
Century House	0	(102,088)	0	(60,625)	(162,713)
Wheeler Gate - ventilation	0	0	0	(28,083)	(28,083)
Castle Bridge	0	(100,000)	0	0	(100,000)
Budgeted Contribution 23/24	82,400	0	0	0	82,400
Available Balance	186,937	0	135,285	17,003	339,225

5.5 Following the 2021/22 outturn the Bridge Estate reserve available balance has increased by £148,008, the forecast included at the Trust and Charity Committee March 2022 was £191,217 compared to the forecast of £339,225 as indicated in Table 2.

5.6 The 'Other in year movements' are for the following transactions:

- Asset Repair Fund (£49,670), the cost of capital works carried out at Governors House;
- Un-Earmarked Reserve (£180,283), is the 21/22 principal debt repayment on the Lister Gate loan

6. Legal colleague comments

6.1 Trustees have a fiduciary duty to protect their charity's activities and resources and to make sure they are only used to further the charity's aims. This report updates Trustees on the financial outturn for the Bridge Estate for 2021/22.

- 6.2 It provides Trustees with the opportunity to see the current financial position of the Bridge Estate, scrutinise and make any appropriate recommendations regarding the future management of the Trust.
- 6.3 The Bridge Estate Trusts Financial Statements are part of the Council's Financial Statements and so signed accounts must be provided to the Council to ensure compliance with relevant timescales for finalising its accounts.
- 6.4 The accounts are presented to the Committee in draft form to note at this meeting, with delegated approval sought for the Chair to sign the final accounts. The final accounts will be presented to the Committee at the next meeting.

Dionne Screamon, Senior Solicitor, Contracts and Commercial - 13 June 2022

7. Other relevant comments

- 7.1 None.

8. Equality Impact Assessment (EIA)

- 8.1 An EIA is not required because the report does not relate to new or changing policies or services.

9. Data Protection Impact Assessment (DPIA)

- 9.1 A DPIA is not required because this decision does not include any sensitive data.

10. Carbon Impact Assessment (CIA)

- 10.1 A CIA is not required because this decision is financial information only and has no CIA impact.

11. List of background papers relied upon in writing this report (not including published documents or confidential or exempt information)

- 11.1 None.

12. Published documents referred to in this report

- 12.1 Trust & Charities Committee Report (28 March 2022) – Bridge Estate Financial Position and Budget Update.