

Trust & Charities Committee – 26 June 2023

Title of paper:	Bridge Estate Pre-Audit Financial Outturn 2022/23		
Director(s)/ Corporate Director(s):	Ross Brown – Corporate Director Finance & Resources	Wards affected: All	
Report author(s) and contact details:	Thomas Straw – Senior Accountant (Capital Programmes) thomas.straw@nottinghamcity.gov.uk		
Other colleagues who have provided input:	Bevis Mackie – Head of Commercial Property Investment Portfolio Malcolm Townroe – Director of Legal and Governance		
Date of consultation with Portfolio Holder(s) (if relevant)	N/A		
Does this report contain any information that is exempt from publication? No			
Relevant Council Plan Outcome:			
Green, 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"/>		
Living Well in our Communities	<input type="checkbox"/>		
Keeping Nottingham Moving	<input type="checkbox"/>		
Improve the City Centre	<input type="checkbox"/>		
Better Housing	<input type="checkbox"/>		
Serving People Well	<input checked="" type="checkbox"/>		
Summary of issues (including benefits to citizens/service users):			
This report details the draft 2022/23 outturn for the Bridge Estate Trust (financial accounts enclosed), detailing any variance from 2021/22.			
Recommendation(s):			
1	That the draft outturn for 2022/23 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 the Trust on behalf of Nottingham City Council as the sole Trustee.
- 1.2 The Bridge Estate Trust's 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 31st July 2023.

2. Other options considered in making recommendations

- 2.1 Defer the signing of the financial accounts until the next Trust and Charities Committee meeting. This was rejected as deferring the accounts would mean the Trust not being able to meet the 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 the accounts presented to this Committee have undergone a significant element of the audit process 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 at the next meeting.

3. Consideration of Risk

- 3.1 The 2022/23 financial statement is a key requirement for the Bridge Estate and is required to be submitted to the Charity Commission by the 31st January 2024 and 31st July 2023 for consolidation in Nottingham City Council's group accounts. The 10 month financial return deadline for Charities is a necessity for all Charities with income exceeding £25,000, and is required by the Charity Commission.

4. Background (including outcomes of consultation)

- 4.1 As Trustee, the Council has responsibility for making recommendations on the management of its Charities. The financial outturn is a key part of the framework for the financial management of the Trust and any subsequent recommendations.

5. Finance colleague comments (including implications and value for money)

- 5.1 Table 1 below presents the 2022/23-year end draft position for the Bridge Estate, further details can be found in the enclosed Draft Financial Statement.

Table 1: Bridge Estate Draft Outturn 2022/23 vs 2021/22 Actual			
	2022/23 (Draft) £	2021/22 £	Movement £
Income			
Rent (Net of movement in loss allowance)	(1,497,197)	(1,880,421)	383,224
Interest Received	(39,600)	(3,163)	(36,437)
Service Charges / Other	(52,355)	(57,142)	4,787
Total Income	(1,589,153)	(1,940,726)	351,573
EXPENDITURE			
Raising Funds			
Business Rates	250,128	153,348	96,780
Supplies & Services	46,556	68,446	(21,890)
Energy	56,011	(455)	56,466
Other	47,242	(7,375)	54,617
Charitable Activities			
Management & Administration	131,805	140,550	(8,745)

Other	0	10,650	(10,650)
Grant to Nottingham City Council	750,000	1,000,000	(250,000)
Other			
Interest Payable on Lister Gate Loan	51,110	55,978	(4,868)
Total Expenditure	1,332,852	1,421,142	(88,290)
SURPLUS POSITION BEFORE MOVEMENT TO RESERVES	(256,301)	(519,584)	263,283
MOVEMENT TO RESERVES			
Contribution to / (from) Repairs Fund	67,293	104,537	(37,244)
Contribution to / (from) Unrestricted Fund	189,007	415,047	(226,040)
NET position	0	0	0

5.2 Variances between 2022/23 and 2021/22 greater than £100,000 are explained below:

- Rent (net of movement in Loss Allowance) £383,223, majority of this movement of due to the following 2 movements:
 - Increase in loss allowance provision due to more prudent assessment and change in the treatment of the Robin Hood Energy debt,
 - Decrease in rental income due to voids at Lister Gate;
- Grant to NCC (£250,000), reduction in grant paid to NCC during 2022/23 was due to reduced net profit in year and an element of surplus being ringfenced for property repairs identified at the March meeting of the committee;

5.3 Bridge Estate – Reserve Position

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

Table 2: Bridge Estate Reserve Position & Commitments					
	Bridge Repair Reserve £	Property Repair Reserve £	Un-Earmarked Reserve £	Capital Receipt Reserve £	Total £
Balance at 1 April 2022	(104,537)	(354,963)	(203,069)	(105,711)	(768,280)
In year contribution	(82,400)	(100,000)	(89,007)	0	(271,407)
Reserve drawdown - Unrestricted	15,107	0	0	0	15,107
Reserve drawdown - Endowment	0	101,506	(525)	0	100,981
Balance at 31 March 2023	(171,830)	(353,457)	(292,601)	(105,711)	(923,599)
Expenditure Commitments					
Governors House	0	120,973	0	0	120,973
Century House	0	87,278	0	60,625	147,903
Wheeler Gate	0	0	0	15,979	15,979
Dragon Court	0	34,979	3,914	29,107	68,000
Castle Bridge	0	110,227	0	0	110,227
Uncommitted Balance	(171,830)	0	(288,687)	0	(460,517)

5.1 During 2022/23 the Bridge Estate reserve balance has increased by £155,319 to £923,599.

5.2 The 2022/23 reserve drawdowns are for the following transactions:

- Revenue drawdown - Unrestricted £15,107;
 - Revenue maintenance on Trent Bridge

- Reserve Drawdown – Endowment £100,981;
 - Castle Bridge – Capital Improvements £10,773
 - Century House – Capital Improvements £14,810
 - Governors House – Capital Improvements £31,902
 - Wheeler Gate – Capital Improvements £44,021
 - Other (£525)

6. Legal colleague comments

The recommendations contained in the report raise no significant legal issues and will enable the Trust's financial statement to be included in the Council's Group Accounts as set out in the body of the report.

Malcolm R. Townroe – Director of Legal and Governance – 16 June 2023

7. Other relevant comments

7.1 None

8. Equality Impact Assessment (EIA)

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 (27 March 2023) – Bridge Estate Financial Position and Budget Update.