

TRUST AND CHARITIES COMMITTEE – 27 September 2019

Title of paper:	Bridge Estate Budget Update 2019/20	
Director(s)/ Corporate Director(s):	Laura Pattman Director of Strategic Finance	Wards affected: All
Report author(s) and contact details:	Tom Straw, Senior Accountant (Capital Programmes) thomas.straw@nottinghamcity.gov.uk 0115 8763659	
Other colleagues who have provided input:	Mandy Bryce, Senior Commercial Business Partner Bevis Mackie, Senior Estates Surveyor	
Date of consultation with Portfolio Holder(s) (if relevant)		
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):		
This report details the forecast outturn for 2019/20 for the Bridge Estate Trust		
Recommendation(s):		
1	Approve the amendments to the budget as detailed in the report	

1 REASONS FOR RECOMMENDATIONS

- 1.1 As Trustee, the Council has 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 trusts and any subsequent recommendations.
- 1.2 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 Charity and therefore allows any appropriate decisions or actions to be taken in their role as Trustee.

2 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)

- 2.1 As per section 1.

3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

3.1 None

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

4.1 **Bridge Estate Revenue Forecast**

The forecast outturn for 2019/20 is detailed in **Table 1**. The forecast is based on the income and expenditure to July together with anticipated future income and expenditure to year-end.

Table 1: Bridge Estate Budget Update			
	Original Budget 2019/20 £	Latest Forecast 2019/20 £	Movement (Surplus) / Pressure £
External Income:	(1,993,871)	(2,193,826)	(199,955)
Expenditure:			
Premises Costs	268,453	380,175	111,722
Supplies & Services	29,400	30,936	1,536
Support Services	131,510	131,510	-
Repayment of Debt	60,094	60,094	-
Repayment of Interest	65,713	65,713	-
Surplus before NCC Grant	(1,438,701)	(1,525,401)	(86,697)
Less Grant to NCC	1,366,701	1,453,398	86,697
Net (Surplus) / Deficit	(72,000)	(72,000)	-
Movement in Reserves			
Bridge Repairs & Renewals Fund	72,000	72,000	-
Asset Repair Fund	0	0	-
Un-earmarked Reserve	0	0	-
Unallocated (Surplus) / Deficit	0	0	-

The significant movements in forecast relate to:

- External Income (surplus of £199,955), this is due to the original budget having some prudent assumptions regarding vacant units and lease breakages. The actual position is better than originally forecast generating an improved return for the Trust.
- Premises Costs (pressure of £111,722), this is due to increased property holding costs (e.g. voids and repairs) which were not included in the original forecast.
- Grant to Nottingham City Council (pressure of £86,697), the Council has historically received £1,525,000 per annum from the Trust. Increasing the grant as proposed in **Table 1** will reduce the Council's pressure to £71,602.

4.2 **Bridge Estate Reserve Forecast**

Table 2 below details the current position of the Bridge Estate reserves including allocations as proposed in the Property report.

Table 2: Bridge Estate Reserve Position				
	Bridge Repair Fund £ (*)	Asset Repair Fund £	Un-earmarked Reserve £	Capital Receipt Reserve £
Balance at 1 st April 2019	518,462	300,000	354,732	852,529
Forecast In Year Movement	72,000	-	-	(204,304) (**)
Unallocated Balance	590,462	300,000	354,732	648,225

(*) Awaiting confirmation of the contribution Bridge Estate is required to make. Further details can be found in the report from Property Service.

(**) Is a combination of repaying debt in relation to Lister Gate properties and repairs as identified in the accompanying report from Property Services.

The Bridge Estate Reserves are set aside for the following:

- Bridge Repair Fund, is a reserve to fund the maintenance of Trent Bridge.
- Asset Repair Fund, is a reserve set aside to fund the maintenance and improvements of the Bridge Estates property portfolio
- Un-earmarked Reserve, is a reserve where any surplus made by the Bridge Estate is set aside and is expendable at the discretion of the Committee in the furtherance of the charity's objectives.
- Capital Receipt Reserve, is built up by the approved sale of Bridge Estate Assets and is expended either via capital expenditure (improvements or purchases), or the repayment of the Lister Gate loan.

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

- 5.1 *Please ensure the report is sent to authorised colleagues in Legal and Procurement to provide comments, and include their name, job title and the date that the advice was provided.*

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

- 6.1 Strategic Assets and Property have nothing further to add.

7 EQUALITY IMPACT ASSESSMENT

- 7.1 Has the equality impact of the proposals in this report been assessed?

No



An EIA is not required because:

An EIA is not required because this report does not establish a new service or function.

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

- 8.1 Budget and final account working papers

9 PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT

9.1 None