

ABERDEEN CITY COUNCIL

COMMITTEE	Finance and Resources
DATE	2 nd December 2010
DIRECTOR	Stewart Carruth
TITLE OF REPORT	2010/11 Common Good Budget – Monitoring Report Update
REPORT NUMBER:	CG/10/193

1. PURPOSE OF REPORT

The purpose of this report is to

- a) Inform the committee of the income and expenditure status of the Common Good for the six months to 30 September 2010 along with the estimated out-turn for the year
- b) Provide an indication on the forecast status of the cash balances.

2. RECOMMENDATION(S)

It is recommended that the Committee

- a) Notes the income and expenditure position as at 30 September 2010 and the estimated out-turn for the year; and
- b) Notes the estimated cash balances as at 31 March 2011 of £5.3 million based on current forecasts.

3. FINANCIAL IMPLICATIONS

The financial implications are detailed in the report at section 6.

4. OTHER IMPLICATIONS

None.

5. BACKGROUND/MAIN ISSUES

Spend to Date (as at 30 September 2010) and Updated Estimated Out-turn

5.1 The approved budget for the Common Good for 2010/11 is £450k The estimated out-turn for the year to 31 March 2011 is £430k which is a favourable movement of £20k when compared to the budget. Further details are given in Appendix 1 to this report.

5.2 The change in estimated out-turn are a result from the following:

	Forecast Variance £'000s
<u>Line 5 Civic Administration Unit</u> – the non filling of staff vacancies has resulted in a reduction in the estimated out-turn	6
<u>Line 6 Receptions</u> - Given that the majority of receptions have now been approved for 2010/11, the estimated out-turn figure has been adjusted to reflect a more accurate expenditure figure	10
<u>Line 10 Misc. Civic Hospitality Expenditure</u> - the hospitality to visitors/groups to the Town House budget have been adjusted to reflect more accurate expenditure levels during the year to date	2
<u>Line 12 Upkeep of Civic Car</u> – close monitoring of the budget has resulted in a reduction in the estimated out-turn	4
<u>Line 21 Interest on Invested Funds</u> - Estimated out-turn has been updated to more accurately reflect interest rates.	(2)
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Cash Balances

- 5.3 The projected cash balances as at 31 March 2011 is £5.3 million as follows: -

	£M
Cash balance available for use 1 April 2010	5.7
Less:	
Estimated Out-turn	0.4
Projected Cash Balance as at 31 March 2011	<u>5.3</u>

- 5.4 The Council has previously agreed an underlying principle that the cash balance should be no less than £4.8 million, after adjusting for the Greenfern Development Site, as at 31 March 2011. This utilises the Consumer Price Index (CPI) as a basis for calculating indicative cash balances to ensure that the value of the Fund is not eroded over time.
- 5.5 As trustee of the Common Good, the Council has a duty to ensure that cash balances are maintained at levels to generate sufficient annual income to fund the expenditure from the Common Good.

6. IMPACT

The management of the Common Good contributes towards the most efficient and effective use of the Council's funds.


It is essential that the value of the Common Good is preserved in such a way that it continues to be able to support the wide range of artistic and other ventures it presently does, in the long term.

7. BACKGROUND PAPERS

None.

9. REPORT AUTHOR DETAILS

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COMMON GOOD
REVENUE BUDGET 2010/11

Appendix 1

RECURRING EXPENDITURE

	BUDGET 2010/11 £s	ACTUAL TO 30th SEPTEMBER 2010/11 £s	ESTIMATED OUT-TURN 2010/11 £s
1 General Properties/Estates	25,800	2,376	25,800
2 Other Expenses	29,528	(454)	29,528
3 Central Support Services	141,834	-	141,834 Note 1
4 Donations, Grants, Contributions	678,025	235,645	677,025 Note 2
<u>Civic Hospitality</u>			
5 Civic Administration Unit	285,161	89,351	279,097
6 Receptions, etc	165,000	21,393	155,000
7 Entertainment for Elderly/Disabled Citizens	195,000	-	195,000 Note 1
8 Older Persons Development Officer	17,410	-	17,410 Note 1
9 Hospitality for Children and Community Centres	4,000	-	4,000 Note 1
10 Misc. Civic Hospitality Expenditure	23,000	1,420	21,000
11 Sub-Total Civic Hospitality	689,571	112,165	671,507
12 Upkeep of Civic Car	59,746	20,089	55,688
13 Funding - Twinning Activities	137,352	-	137,352 Note 1
14 Archivist Unit	181,476	49,014	181,476
15 Christmas Illuminations and Festivals	213,000	-	213,000 Note 1
16 Contributions to Trusts & Festivals	325,000	-	325,000 Note 1
17 Other Projects	85,876	-	85,876 Note 1
18 Other Recurring Expenditure	40,250	6,108	40,250
19 Sub-Total Recurring Expenditure	2,607,458	424,943	2,584,336

RECURRING INCOME

	BUDGET 2010/11 £s	ACTUAL TO 30th SEPTEMBER 2010/11 £s	ESTIMATED OUT-TURN 2010/11 £s
20 Income from Properties and Estates	(2,246,691)	(1,242,641)	(2,246,691)
21 Interest on Invested Funds	(54,000)	(7,466)	(51,500)
22 Miscellaneous Income	(60,150)	(75)	(60,150) Note 1
23 Total Recurring Income	(2,360,841)	(1,250,182)	(2,358,341)
24 Budgeted (surplus)/deficit on recurring items	246,617	(825,239)	225,995

NON-RECURRING ITEMS

	BUDGET 2010/11 £s	ACTUAL TO 30th SEPTEMBER 2010/11 £s	ESTIMATED OUT-TURN 2010/11 £s
<u>Non Recurring Expenditure Items</u>			
25 Gordon Highlanders Statue	125,000	-	125,000
26 Charity Shop Refurbishment	15,000	-	15,000
27 Battle of Harlaw	10,000	-	10,000
28 CLAN	55,000	55,000	55,000
29 Sub-Total Non-Recurring Items	205,000	55,000	205,000
30 Budget Deficit after Non-Recurring Items	451,617	(770,239)	430,995
31 Cash Balances as at 1 April	(5,750,722)		(5,750,722)
32 Estimated Cash Balances as at 31 March	(5,299,105)		(5,319,727)
33 Indicative Cash Balance	(5,271,382)		(5,271,382) Note 3
34 Adjustment for Greenfern Development Site	470,873		470,873
35 Revised Cash Balance to maintain value using CPI	(4,800,509)		(4,800,509)

EXPLANATORY NOTES

Note 1

Although there is no "spend to date", the expenditure for these items is committed and consists of year end transfers made as part of the preparation of the final accounts. It is expected that final expenditure for these items will be close to budget and estimated out-turn.

Note 2

The timing of payments under this heading varies from organisation to organisation. Some receive the full sum at the start of the year, some are paid in stages over the year, and other expenditure is only met at the year end. The actual spend to date is shown in Appendix 3.

Note 3

Indicative cash balance using CPI