

ABERDEEN CITY COUNCIL

COMMITTEE	Finance and Resources
DATE	16 June 2011
DIRECTOR	Stewart Carruth
TITLE OF REPORT	2010/11 Common Good Budget – Monitoring Report Update
REPORT NUMBER:	CG/11/64

1. PURPOSE OF REPORT

The purpose of this report is to

- a) Inform the committee of the near actual income and expenditure status of the Common Good for the year to 31 March 2011.
- b) Provide an indication on the forecast status of the cash balances.

2. RECOMMENDATION(S)

It is recommended that the Committee

- a) Notes the near actual income and expenditure position as at 31 March 2011; and
- b) Notes the estimated cash balances as at 31 March 2011 of £5.9 million based on current forecasts.

3. FINANCIAL IMPLICATIONS

The financial implications are detailed in the report at section 5.

4. OTHER IMPLICATIONS

None.

5. BACKGROUND/MAIN ISSUES

Near Actual Spend to 31 March 2011

- 5.1 The approved budget for the Common Good for 2010/11 is £450k The near actual outturn for the year to 31 March 2011 is (£190k) net which is a favourable movement of £640k when compared to the budget. Further details are given in Appendix 1 to this report.

- 5.2 The item contributing most significantly to the above is a income from Properties and Estates which is £400k over budget. This is due to the completion of lease renewal negotiations on several properties resulting in significant backdated rental payments being received.

Cash Balances

- 5.3 The projected cash balances as at 31 March 2011 is £5.9 million.
- 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

Catriona Gilmour - Accountant

 (81)4615

Email cgilmour@aberdeencity.gov.uk

**COMMON GOOD
REVENUE BUDGET 2010/11**

Appendix 1

INCOME AND EXPENDITURE

	BUDGET 2010/11 £'000s	NEAR ACTUAL 2010/11 £'000s
Recurring Expenditure	2,608	2,408
Recurring Income	(2,361)	(2,806)
Budgeted (surplus)/ deficit on recurring items	247	(398)
Non Recurring Expenditure	205	205
Budget Deficit after Non-Recurring Items	452	(193)
Cash Balances as at 1 April	(5,751)	(5,751)
Estimated Cash Balances as at 31 March	(5,299)	(5,944)
Indicative Cash Balance	(5,271)	(5,271)
Adjustment for Greenfern Development Site	471	471
Revised Cash Balance to maintain value using CPI	(4,800)	(4,800)