

ABERDEEN CITY COUNCIL

COMMITTEE	Council
DATE	14 th February 2013
DIRECTOR	Stewart Carruth
TITLE OF REPORT	Common Good Budget 2013/14 and indicative 2014/15 – 2017/18 Budget
REPORT NUMBER:	CG/13/012

1. PURPOSE OF REPORT

This report is to submit, for elected members' consideration, the draft Common Good budget for 2013/14, along with an indicative 2014/15-2017/18 budget.

2. RECOMMENDATION(S)

It is recommended that the Committee: -

- a) Approves the Common Good budget for 2013/14 as detailed in Appendix 1 to this report; and
- b) Notes the 2014/15 - 2017/18 indicative budgets which are also contained in Appendix 1.

3. FINANCIAL IMPLICATIONS

- 3.1 The Report outlines proposals for the Common Good budget for the financial year 2013/14, and indicative figures for the following 4 years.
- 3.2 It also contains details of the value of the Trust's cash balances, projected over the 5 year period.

4. OTHER IMPLICATIONS

- 4.1 If funding is not provided for projects/external organisations then they may not be able to continue their work.

5. BACKGROUND/MAIN ISSUES

Introduction

- 5.1 In preparing a draft Common Good budget for 2013/14, the financial strategy approved by the Finance & Resources Committee of 6th December 2012 has been applied.
- 5.2 A report on the origin, history and purposes to which the Common Good may be used was prepared on 15th January 1976, by the then Town Clerk of the City of Aberdeen District Council. The report outlined the following purposes as meeting the required criteria: -
- Upholding the dignity of the City.
 - The prudent management, upkeep and improvement of Council Property which forms part of the Common Good.
 - Safeguarding the corporate rights of the community and defending its interests.
 - Granting of donations to public institutions or charities, providing it is in the interests of the general public of the city.
 - Any other purpose, which is in the bona fide and reasonable judgment of the Council, is for the good of the community as a whole or which the inhabitants at large may share.
- 5.3 It was also outlined that the prime purpose of the Council is to ensure that the Common Good is prudently conserved
- 5.4 In addition, recent practice has excluded any activity from receiving assistance from the Common Good for which Aberdeen City Council or any other public body has a statutory duty to support.

Projected Out-turn 2012/13

- 5.5 The projected outturn for 2012/13 shows a surplus of £75,000 against a budgeted deficit of £350,000.
- 5.6 The favourable movement of £425,000 comparing budget to out-turn is due to income from properties and estates being higher than expected, and also due to the delay in undertaking the work at the Kepplestone/Kingswells steading which has been budgeted for in 2012/13.

Draft Budget 2013/14

- 5.7 In setting the Common Good budget, appropriate input has been provided by external bodies supported by the Common Good and the various officers responsible for the different expenditure and income lines.
- 5.8 The budget for 2013/14 is provided at **Appendix 1**. In building these figures the following broad assumptions have been made:
- Average interest rates reflect the projections currently being made enabling a 2% return on investments for the financial year ending 31 March 2013.
 - Rental income is based on projections provided by the Asset Management team within Enterprise, Planning & Infrastructure.
- 5.9 As can be seen in Appendix 1 the Common Good Fund is in a small deficit budget position of £474,000 for 2013/14. This leaves the estimated balance on the Common Good Fund at 31st March 2014 to be £6.3m, which is in line with the cash balances strategy shown below and approved at Finance & Resources Committee on 6th December 2012.

Cash Balances

- 5.10 This report also provides details of the estimated cash balances which will be held on the Common Good. Based on the budget projections for 2013/14 there are projected cash balances of £6.3 million as at 31 March 2014.
- 5.11 It is recommended that the strategy for 2013/14 and for 2014/15 should be to limit expenditure to a level which will allow for working balances to be maintained to a point whereby two years' worth of Common Good expenditure could be met if required. Current expenditure levels, excluding one-off payments, are £2.9 million, therefore cash balances require to be retained at a minimum level of £5.8 million.
- 5.12 It is the duty of the Council as trustees of the Common Good to ensure that the Cash Balances are maintained, and the Common Good is preserved for future generations.

6. IMPACT

- 6.1 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 ventures it presently does, in the long term.

7. BACKGROUND PAPERS

Finance & Resources Committee 6th December 2012

8. REPORT AUTHOR DETAILS

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