

ABERDEEN CITY COUNCIL

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COMMITTEE	Finance and Resources
DATE	25 April 2013
DIRECTOR	Stewart Carruth
TITLE OF REPORT	2012/13 Common Good Budget – Monitoring Report Update
REPORT NUMBER:	CG/13/044

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1. PURPOSE OF REPORT

The purpose of this report is to:

- a) Inform the Committee of the income and expenditure position of the Common Good Fund for the period to 28 February 2013, including the forecast outturn for the year to 31 March 2013.
- b) Provide a forecast position of the cash balances as at 31 March 2013.

2. RECOMMENDATION(S)

It is recommended that the Committee:

- a) Notes the income and expenditure position as at 28 February 2013 and the forecast outturn for the year; and
- b) Notes the forecast cash balances as at 31 March 2013 of £6.9M based on current estimates, which is within the recommended levels indicated by the Head of Finance.

3. FINANCIAL IMPLICATIONS

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

4. OTHER IMPLICATIONS

None.

## 5. BACKGROUND/MAIN ISSUES

### **Income and Expenditure – Forecast Outturn**

5.3 The outturn for the year to 31 March 2013 shows a forecast surplus position of £120K which is a favourable variance from budget of £470K. A table summarising income and expenditure is given in Appendix A to this report.

5.4 The changes in forecast outturn compared to budget result from the following:-

	£'000s
Rental Income - This is due to agreed back dated rent reviews.	(250)
Steading - The steading at Kepplestone and Kirkhills farm will not be rebuilt this year so results in a saving. The budget will require to be carried forward to 2013-14.	(125)
Sale of Land - One off income from sale of land, enabling additional non-recurring expenditure to be approved.	(100)
Xmas Illuminations - A new contract has resulted in savings.	(80)
Civic Support Team - Non filling of vacant posts and close monitoring of costs has resulted in savings.	(60)
Central Support - Bringing the outturn closer into line with previous years has resulted in a saving.	(30)
Receptions - Closer monitoring of costs and attendance numbers has led to a saving in this budget.	(25)
Various other small budgets	(20)
Hogmanany Fireworks - Additional expenditure agreed at the Finance and Resources Committee in October, funded by sale of land and in-year savings.	50
Newhills expansion - Additional expenditure agreed at Finance and Resources in October, funded by sale of land and in-year savings.	50
Property costs - this includes fees for property revaluation costs of £24K and repairs to Common Good properties of £96K.	120
	<hr/> <b>(470)</b> <hr/>

## Cash Balances

- 5.5 The forecast cash balance as at 31 March 2013 is £6.9M. Included in this amount is a sum of £290K remaining for the Greenfern Development within earmarked reserves. A total budget of £450K was agreed at Resources Management committee on 18<sup>th</sup> January 2008 for this development and this money will be paid back into the Common Good Fund at a later date.
- 5.6 The Council agreed at the budget setting meeting on 9<sup>th</sup> February 2012 that the cash balance should be equal to the equivalent of two years worth of expenditure. This equates to £5.4M.
- 5.7 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 any future expenditure from the Common Good deemed appropriate.

## 6. IMPACT


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

None.

## 8. REPORT AUTHOR DETAILS

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## Appendix A

As at end of February 2013		Year to Date			Forecast to Year End		
ACCOUNTING PERIOD 11	Full Year Revised Budget £'000	Revised Budget £'000	Actual Expenditure £'000	Variance Amount £'000	Outturn Note 1 £'000	Variance Amount £'000	Variance Percent %
Recurring Expenditure	2,697	1,161	1,087	(74)	2,614	(83)	(3.1%)
Recurring income	(2,675)	(2,568)	(2,568)	-	(2,937)	(262)	9.79%
<b>Budget after Recurring Items</b>	<b>22</b>	<b>(1,407)</b>	<b>(1,481)</b>	<b>(74)</b>	<b>(323)</b>	<b>(345)</b>	<b>(1,568.2%)</b>
Non Recurring Expenditure	327	160	153	(7)	305	(22)	(6.7%)
Non Recurring Income	-	-	(103)	(103)	(103)	(103)	
<b>TOTAL BUDGET</b>	<b>349</b>	<b>(1,247)</b>	<b>(1,431)</b>	<b>(184)</b>	<b>(121)</b>	<b>(470)</b>	<b>(134.7%)</b>

<b>Cash Balances as at 1 April 2012</b>	(6,763)	(6,763)
<b>Estimated Cash Balances as at 31 March 2013</b>	<u>(6,414)</u>	<u>(6,884)</u>
<b>Minimum cash balance requirement per budget report (Council 9th February 2012)</b>	<u>(5,400)</u>	<u>(5,400)</u>

### Note 1

The forecast outturn figure takes into account £1.3M of expenditure that takes place at year end e.g Funding of Twinning activities, Elderly and Disabled Events and Contributions to Trusts and Festivals.