

ABERDEEN CITY COUNCIL

COMMITTEE:	Finance and Resources
DATE:	12 th November 2009
REPORT BY:	City Chamberlain
TITLE OF REPORT:	2009/2010 Common Good Budget – Monitoring Report Update
REPORT NUMBER:	CG/11/118

1. PURPOSE OF REPORT

This report provides the actual expenditure and income for the year to 31 August 2009 and an out turn for the year, comparing this with the approved budget.

2. RECOMMENDATION(S)

It is recommended that the Committee

- a) Consider and notes the position as at 30 September 2009 and the estimated out-turn for the Common Good;
- b) Acknowledges the contribution from the Board of Oil & Gas UK; and
- b) Notes the estimated cash balances of the Common Good as at 31 March 2010 of £5.228 million based on this current forecast.

3. FINANCIAL IMPLICATIONS

The out-turn position will effect the level of working balances. The Council has previously adopted an underlying principle that these balances should be no less than £4.544 million as at 31 March 2010. The current projected balance is £5.233 million based on the information contained within this report.

4. SERVICE & COMMUNITY 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 Common Good is managed in such a way that it continues to be able to support the wide range of artistic and other ventures it presently does.

5. OTHER IMPLICATIONS

The Common Good provides funding amongst other things for Promotion of the City, Xmas Illuminations and Twinning, which contribute to the sustainable economic development of the City.

6. REPORT

Spend to Date (as at 31 August 2009) and Updated Estimated Out-turn

- 6.1 The approved budget for the Common Good for 2009/10 is given at Appendix 1. The estimated outturn for the year to 31 March 2010 is net expenditure of £314,630, compared to a budget of £392,515.
- 6.2 The favourable movement of £77,885 from the budget compared to the current out-turn, is due in the main to the following: -

Line 1 General Properties/Estates – The budget for water rates has not been used in earlier years and is not expected to be used this year and is therefore reflected in this forecast favourable variance. (£800)

Line 4 – Donations, Grants, Contributions – Assuming that the costs of all other events will be at the budgeted level the forecast spend for events funding has been increased to cover the costs of the memorial service for Flight 84N. This is after taking into account a contribution of £5,000 from the Board of Oil & Gas UK. £12,915

Line 26 – Sale of Land at Overhills Farm – The sale of a small plot of land at Overhills Farm has been completed. The land which brought in annual rental income of £400 has been sold for £90,000. The minimum cash balance requirement has been increased by this amount to allow for the maintenance of the income. (£90,000)

(£77,885)

- 6.3 Further supporting details can be found at Appendices 2, 3 and 4 in relation to analysis of Miscellaneous and General Income and Expenditure (Appendix 2), Donations, Grants, Contributions etc (Appendix 3) and Other Projects (Appendix 4).

Cash Balances

- 6.4 Taking account of the above, and the current forecast cost of £314,630, the working balances as at 31 March 2010 would be £5.228 million as follows: -

	£'000s
Cash Balance as at 1 April 2009	(5,548)
Projected out-turn	<u>315</u>
Projected Cash Balance as at 31 March 2010	<u>(5,233)</u>

6.5 The Council has previously adopted an underlying principle that these balances should be no less than £4.544 million, after adjusting for the Greenfern Development Site, as at 31 March 2010 utilising the Consumer Price Index (CPI) as a basis for calculating indicative cash balances.

6.6 As trustee's of the Common Good, the Council has a duty to ensure that cash balances are maintained at such levels as they generate annual income, earned from the investment of the balance to fund the expenditure met from the Common Good.

7. AUTHORISED SIGNATURE

Susan Cooper – City Chamberlain

☎ (52)2551

Email sucooper@aberdeencity.gov.uk

8. REPORT AUTHOR DETAILS

Hugh Coleman – Finance Manager

☎ (52)2556

Email hcoleman@aberdeencity.gov.uk

9. BACKGROUND PAPERS

None.

RECURRING EXPENDITURE

	BUDGET 2009/10 £s	ACTUAL TO 30th SEPTEMBER 2009/10 £s	ESTIMATED OUT-TURN 2009/10 £s	
1 General Properties/Estates	52,600	1,764	51,800	Appendix 2
2 Miscellaneous Expenses	34,028	3,469	34,028	Appendix 2
3 Central Support Services	141,834	-	141,834	Note 1
4 Donations, Grants, Contributions	680,525	271,065	693,440	Note 2/Appendix 3
<u>Civic Hospitality</u>				
5 Civic Administration Unit	290,739	60,994	290,739	
6 Receptions, etc	200,000	39,171	200,000	
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	25,700	3,004	25,700	Appendix 2
11 Sub-Total Civic Hospitality	732,849	103,169	732,849	
12 Upkeep of Civic Car	51,332	9,606	51,332	Appendix 2
13 Funding - Twinning Activities	137,352	-	137,352	Note 1
14 Archivist Unit	209,505	23,158	209,505	
15 Christmas Illuminations and Festivals	225,000	-	225,000	Note 1
16 Support for Festivals	360,000	-	360,000	
16 Other Projects	85,780	-	85,780	Note 1/Appendix 4
17 Other Recurring Expenditure	42,250	6,179	42,250	Appendix 2
18 Sub-Total Recurring Expenditure	2,753,055	418,411	2,765,170	

RECURRING INCOME

	BUDGET 2009/10 £s	ACTUAL TO 30th SEPTEMBER 2009/10 £s	ESTIMATED OUT-TURN 2009/10 £s	
19 Income from Properties and Estates	(2,129,390)	(1,045,082)	(2,129,390)	
20 Interest on Invested Funds	(201,000)	(162,958)	(201,000)	
21 Miscellaneous Income	(70,150)	(71)	(70,150)	Appendix 2
22 Total Recurring Income	(2,400,540)	(1,208,111)	(2,400,540)	
23 Budgeted (surplus)/deficit on recurring items	352,515	(789,700)	364,630	

NON-RECURRING ITEMS

	BUDGET 2009/10 £s	ACTUAL TO 30th SEPTEMBER 2009/10 £s	ESTIMATED OUT-TURN 2009/10 £s
<u>Non Recurring Expenditure Items</u>			
24 Energising Aberdeen Music Festival	30,000	-	30,000 Note 1
25 Artists Rooms - Ron Meuk	10,000	-	10,000
<u>Non Recurring Income</u>			
26 Sale of Land at Overhills Farm	-	(90,000)	(90,000)
27 Sub-Total Non-Recurring Items	40,000	(90,000)	-50,000
28 Budget Deficit after Non-Recurring Items	392,515	(879,700)	314,630
29 Cash Balances as at 1 April	(5,548,000)		(5,548,000)
30 Estimated Cash Balances as at 31 March	(5,155,485)		(5,233,370)
31 Cash Balance Required to maintain value using CPI	(5,010,158)		(5,010,158)
32 Adjustment for Greenfern Development Site	465,750		465,750
33 Revised Cash Balance to maintain value using CPI	(4,544,408)		(4,544,408)

EXPLANATORY NOTES

Note 1

Although there is no "spend to date", the expenditure for these items 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. Other items with no "spend to date" showing at present will incur expenditure as the year progresses.

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.

Reconciliation of Revised Budget to Budget Approved 12 February 2009

<u>Decision</u>	<u>Committee</u>	<u>£000s</u>
Approval of Budget	RMC 12.02.09	382,515
Artists Rooms - Ron Meuk	RMC 16.06.09	10,000
Revised Budget		392,515

RMC - Resources Management Committee

Appendix 2

**ANALYSIS OF MISCELLANEOUS & GENERAL
INCOME & EXPENDITURE HEADINGS**

	BUDGET 2009/10 £s	ACTUAL TO 30th SEPTEMBER 2009/10 £s	ESTIMATED OUT-TURN 2009/10 £s	
<u>General Properties/Estates</u>				
Rates and Insurance	2,600	-	1,800	
Repairs and Maintenance	50,000	1,764	50,000	
Sub-Total General Properties/Estates	52,600	1,764	51,800	
<u>Miscellaneous expenditure</u>				
Green Market - Staff Costs, Advertising, etc.	2,500	-	2,500	Note 1
St. Nicholas Carillon	5,928	-	5,928	Note 1
Printing, Advertising and Sundry Outlays, etc.	7,600	914	7,600	
Official Catering	18,000	2,555	18,000	
Sub Total Miscellaneous expenditure	34,028	3,469	34,028	
<u>Civic Hospitality</u>				
Promotional Civic Hospitality	8,000	2,000	8,000	
Hospitality to Visitors/Groups to the Town House	17,000	1,004	17,000	
Charges for Conferences/complimentary Packs & Tickets	200	-	200	
Table Ware	500	-	500	
Total Misc. Civic Hosp.	25,700	3,004	25,700	
<u>Other recurring Expenditure</u>				
Lord Provost's Gift Fund	18,000	4,891	18,000	
Lord Provost - Lord Lieutenancy and other duties	8,750	1,288	8,750	
Display of Flags and Regimental Colours and Armistice Day Expenses	5,500	-	5,500	
Picture Loan Scheme	10,000	-	10,000	Note 1
Total Other recurring Expenditure	42,250	6,179	42,250	
<u>Misc. Income</u>				
Lands of Skene/Torry - Share of Surplus	(70,000)	-	(70,000)	Note 1
Burgesses of Guild and Trade	(150)	(71)	(150)	
Total Misc. Income	(70,150)	(71)	(70,150)	

Note 1

The bulk of the expenditure/income is settled as part of the year end procedures and is currently expected to be fully committed and in line with budgeted figures.

4. DONATIONS, GRANTS, CONTRIBUTIONS, ETC.

	BUDGET 2009/10 £s	ACTUAL TO 30th SEPTEMBER 2009/10 £s	ESTIMATED OUT-TURN 2009/10 £s	
Aberdeen Citizen's Advice Bureau	263,025	131,512	263,025	
Techfest	36,500	18,250	36,500	
Satrosphere	35,000	17,500	35,000	
Bulawayo Trust	50,000	50,000	50,000	
Gomel Trust	-	-	-	
North Sea Society	2,500	-	2,500	Note 1
Young Person of the Year Award	1,500	-	1,500	Note 1
Equal Opportunities Award	1,500	-	1,500	Note 1
Mary Garden Prize	1,500	-	1,500	Note 1
Presentations Prizes Etc.	5,000	225	5,000	
Quincentenary Prizes Etc.	4,000	3,163	4,000	
Stage 1 Agreement				
Aberdeen Performing Arts Contribution	75,000	-	75,000	Note 1
Aberdeen Safer Community Trust	57,000	28,500	57,000	
Youth Activities small grant funding	50,000	-	50,000	Note 1
Castlegate Arts Rent Grant	8,000	4,000	8,000	
Events Funding	50,000	17,915	62,915	
Lemon Tree Rent	40,000	-	40,000	
Sub Total	680,525	271,065	693,440	

Note 1.

Expenditure is settled as part of year end procedures and is currently expected to be fully committed and in line with budgeted figures

COMMON GOOD BUDGET 2009/2010
16. OTHER PROJECTS

Appendix 4

PROJECT	BUDGET 2009/10 £s	ACTUAL TO 30th SEPTEMBER 2009/10 £s	ESTIMATED OUT-TURN 2009/10 £s	
Home Safety Check Scheme	71,280	-	71,280	Note 1
Charity Shop	13,000	-	13,000	Note 1
Community Safety Initiatives	1,500	-	1,500	
	<u>85,780</u>	<u>-</u>	<u>85,780</u>	

Note 1

The bulk of the expenditure/income is settled as part of the year end procedures and is currently expected to be fully committed and in line with the budgeted figures.