

ABERDEEN CITY COUNCIL

COMMITTEE	Finance, Policy and Resources
DATE	26 th September 2013
CHIEF EXECUTIVE	Valerie Watts
TITLE OF REPORT	2013/14 Common Good Budget – Monitoring Report Update
REPORT NUMBER:	CG/13/093

1. PURPOSE OF REPORT

- 1.1 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 31 July 2013, including the forecast outturn for the year to 31 March 2014.
 - b) Provide a forecast position of the cash balances as at 31 March 2014.

2. RECOMMENDATION(S)

- 2.1 It is recommended that the Committee:
- a) Notes the income and expenditure position as at 31 July 2013 and the forecast outturn for the year; and
 - b) Notes the forecast cash balances as at 31 March 2014 of £6.9M based on current estimates, which is within the recommended levels indicated by the Head of Finance.

3. FINANCIAL IMPLICATIONS

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

4. OTHER IMPLICATIONS

- 4.1 None.

5. REPORT

Income and Expenditure – Forecast Outturn

5.1 The outturn for the year to 31 March 2014 shows a forecast deficit position of £970K which is an unfavourable variance from budget of £500K. A table summarising income and expenditure is given in Appendix A to this report.

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

	£'000s
Civic Support Team - non filling of vacant posts has resulted in a saving	(30)
Archivist Unit - The overspend relates to central support costs and reflects the actual CSS expenditure in 2012-13	30
Tenants Compensation - This expenditure was agreed at Finance and Resources on 21st February 2013.	500
	<hr/> 500 <hr/>

5.3 If additional expenditure were to be incurred, such as approval is given to undertake urgent property repairs, then the variance from budget would increase by that value. The expenditure included in a report being presented to the Property Sub-Committee and recommended for referral to this committee is £20K.

5.4 If approved the forecast outturn for the financial year would rise to £990K and be a variance from budget of £520K. While making use of cash reserves the impact on the overall position of the Common Good is not material and the position can be recovered through future budget setting and one-off receipts in future years.

Cash Balances

5.5 The forecast cash balance as at 31 March 2014 is £6.9M. Included in this amount is a sum of £280K remaining for the Greenfern Development and £20K for Newhills Development within earmarked reserves. A total budget of £450K was agreed at Resources Management committee on 18th January 2008 for Greenfern Development and this money will be paid back into the Common Good Fund at a later date. A total budget of £50K was agreed at Finance and Resources on 4th October 2012 for Newhills Development.

5.6 The Council agreed at the budget setting meeting on 14th February 2013 that the minimum cash balance should be the equivalent of two years worth of expenditure. This equates to £5.8M.

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.


5.8 The Common Good will benefit from the value of land transactions that have arisen this year and where appropriate these will be invested in line with the current Common Good investment strategy.

6. COMMUNITY & SERVICE IMPACT

6.1 To enable the Common Good to support the wide range of ventures that it does it is essential that the Common Good is managed effectively and the value maintained and investment returns improved to ensure it's sustainability for the future.

7. REPORT AUTHOR DETAILS

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8. BACKGROUND PAPERS

None.

Appendix A

As At 31 July 2013	Year to Date				Forecast to Year End		
ACCOUNTING PERIOD 4	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	2,878	415	415	0	2,874	(4)	(0.1%)
Recurring income	(2,846)	(896)	(896)	0	(2,846)	0	0.00%
Budget after Recurring Items	32	(481)	(481)	0	28	(4)	(12.5%)
Non Recurring Expenditure	442	0	499	499	942	500	113.12%
TOTAL BUDGET	474	(481)	18	499	970	496	1.0

Cash Balances as at 1 April 2013 (unaudited)

(7,853)

(7,853)

Estimated Cash Balances as at 31 March 2014

(7,379)

(6,883)

Minimum cash balance requirement
per budget report (Council 14th February 2013)

(5,800)

(5,800)

Note 1

The forecast outturn figure takes into account £1.75M of expenditure that takes place at year end e.g Funding of Twinning activities, Entertainment for the Elderly and Disabled and Contributions to Trusts and Festivals.