

COMMITTEE	Finance, Policy & Resources
DATE	5 th December 2013
LEAD OFFICER	Chief Executive
TITLE OF REPORT	Common Good Budget 2014/15 and indicative 2015/16-2018/19 Budget
REPORT NUMBER:	OCE/13/034

1. PURPOSE OF REPORT

This report submits for elected members' consideration the draft Common Good budget for 2014/15, along with an indicative 2015/16-2018/19 budget.

2. RECOMMENDATIONS

It is recommended that the Committee: -

- a) considers the Common Good budget for 2014/15 as detailed in appendix 1 to this report and, subject to any changes agreed by the Committee, refers it to the Council Budget Meeting on 6 February 2014 for approval; and
- b) notes the 2015/16 – 2018/19 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 2014/15 and indicative figures for the following 4 years.
- 3.2 It also contains details of the value of the Common Good's cash balances, projected over the 5 year period.
- 3.3 During the financial year 2014/15, a full review of the Common Good budget will be undertaken in line with priority based budgeting principles.

4. OTHER IMPLICATIONS

- 4.1 Common Good funds provide support to a range of services and projects both within and outwith the Council. If funding was not provided there may be a risk that services and projects would no longer be delivered.

5. REPORT

Introduction

- 5.1 In preparing a draft Common Good budget for 2014/15, 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 for 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 for the use of Common Good monies: -
- 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 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 which Aberdeen City Council or any other public body has a statutory duty to support.

Projected Out-turn 2013/14

- 5.5 The projected outturn for 2013/14 shows a deficit of £802,000 compared with a budgeted deficit of £474,000.
- 5.6 The detrimental movement of £328,000 comparing budget to out-turn is primarily due to tenant compensation of £500,000 to allow land to be released for development, thereby enhancing cash reserves and providing higher additional future income streams.

Draft Budget 2014/15

- 5.7 In developing the draft Common Good budget for 2014/15, input has been sought from those external bodies currently supported by the Common Good and from various Council officers responsible for the different expenditure and income lines.
- 5.8 Rental income is based on projections provided by the Asset Management team within Enterprise, Planning & Infrastructure.

- 5.9 The draft budget for 2014/15 is provided at **Appendix 1**. As can be seen, given the requests made expenditure for the year will exceed income by £723,000 for 2014/15. If approval is given for this level of expenditure, the balance on the Common Good Fund at 31st March 2015 is estimated to be £6.33m. This meets the requirements of the cash balances strategy approved by the Finance & Resources Committee on 6th December 2012 and set out below.

Cash Balances

- 5.10 Based on the budget projections for 2014/15, there are projected cash balances of £6.33 million as at 31st March 2015.
- 5.11 The strategy for cash balances for the Common Good Fund is to limit expenditure to a level which will allow for working balances to be maintained to a point whereby two years' worth of future Common Good expenditure could be met if required.
- 5.12 Current draft budgeted expenditure for the two year period 2015/16 and 2016/17 totals £5.84m. Given the estimated budgeted balances on 31st March 2015 of £6.33m, the requirements of the strategy are met and additional expenditure of up to £491,000 on one-off items would be possible during the period 2014/15 – 2016/17, although given the current economic outlook a prudent approach should be adopted.
- 5.13 Committee will of course be mindful that it is the duty of the Council as trustees of the Common Good to ensure that the cash balances are maintained, and that 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 as to allow it to continue to be able to support in the long term an extensive portfolio of activities, projects, services and events.

7. BACKGROUND PAPERS

Common Good Budget 2013/2014 and indicative 2014/15 – 2017/18 Budget (CG/12/124)

8. REPORT AUTHOR DETAILS

Helen Valentine
Finance Manager (Projects)
☎ (52)2098
Email hvalentine@aberdeencity.gov.uk

Ciaran Monaghan
Head of Service, Office of Chief Executive
☎ (52)2293
Email cmonaghan@aberdeencity.gov.uk

Common Good Fund Budget (Appendix 1)						
DRAFT		2014/15	2015/16	2016/17	2017/18	2018/19
Note		Budget	Budget	Budget	Budget	Budget
		£000	£000	£000	£000	£000
	General Properties/Estates					
1	Insurance Costs	16	16	16	16	16
2	Repairs and Maintenance	85	85	85	85	85
		101	101	101	101	101
	Other Expenses					
3	St Nicholas Carillon	6	6	6	6	6
4	Printing and Other Sundries	3	3	3	3	3
5	Official Catering	17	17	17	17	17
		26	26	26	26	26
	Donations, Grants, Contributions					
6	Aberdeen Citizen's Advice Bureau	276	281	286	292	297
7	Twinning Activities	137	137	137	137	137
8	Contributions to Trusts & Festivals	325	325	325	325	325
9	Techfest	37	37	37	37	37
10	Satrosphere Rent	39	39	39	39	39
11	Bulawayo Trust	45	45	45	45	45
12	Gornel Trust	22	17	17	17	17
13	Mary Garden Prize	2	2	2	2	2
14	Quincentenary Prizes	3	3	3	3	3
15	Aberdeen Performing Arts Contribution - Stage 1 Agreement	75	75	75	75	75
16	Aberdeen Safer Community Trust	58	58	58	60	60
17	Youth Activities Small Grant Funding	50	50	50	50	50
18	Castlegate Arts Rent	8	8	8	8	8
19	Events Funding					
	- Armed Forces/Veterans Day	10	0	0	0	0
	- Galas	10	0	0	0	0
	- Aberdeen Winter Festival - Fireworks Display	25	0	0	0	0
	- Aberdeen Winter Festival - Nativity Scene	6	0	0	0	0
	- Aberdeen Day	20	0	0	0	0
	Events	0	70	70	70	70
20	Lemon Tree Rent	36	36	36	36	36
21	Crematorium Bus	48	48	48	48	48
22	Hogmanay Celebrations	200	200	200	200	200
		1,431	1,430	1,435	1,442	1,448
	Promoting Aberdeen					
23	Festive Community Grants	4	4	4	4	4
24	Civic Support	268	268	268	268	268
25	Christmas Illuminations and Festivals	169	164	173	168	168
26	Entertainment for Elderly/Disabled Citizens	215	235	255	275	295
27	Older Persons Development Officer	18	18	18	18	18
28	Civic Receptions	150	150	150	150	150
29	Civic Hospitality	20	20	20	20	20
		845	860	889	904	924
	Other Expenditure					
30	Archivist Unit	199	199	199	199	199
31	Central Support Services	120	120	120	120	120
		319	319	319	319	319
	Other Projects					
32	Home Safety Check Scheme	71	75	78	81	84
33	Charity Shop	16	16	16	16	16
34	Community Safety Initiatives	2	2	2	2	2
		89	93	96	99	102
	Other Recurring Expenditure					
35	Civic Gift Fund	18	18	18	18	18
36	Lord Lieutenancy and other duties	7	7	7	7	7
37	Armistice Day Expenses	6	6	6	6	6
38	Picture Loan Scheme	15	15	15	15	15
39	Business Investment Fund	25	25	25	25	25
		70	70	70	70	70
	Recurring Expenditure	2,880	2,897	2,935	2,960	2,989
	Non Recurring Expenditure Items					
40	Steading at Kepplestone & Kirkhills Farm	127	0	0	0	0
41	Fernhill Farm Replacement Building	40	0	0	0	0
42	Consultancy Costs	100	0	0	0	0
43	4 Scots Homecoming Parade	6	0	0	0	0
44	Auchmill Golf Course (Greenfern)	239	0	0	0	0
45	Repairs & Maintenance - Electrics/Asbestos	323	0	0	0	0
46	Lord Provost Portrait	0	0	5	5	0
		835	0	5	5	0
	ORDINARY EXPENDITURE	3,715	2,897	2,940	2,965	2,989
47	Invested in Loans Fund	3,000	3,000	3,000	3,000	3,000
	TOTAL EXPENDITURE	6,715	5,897	5,940	5,965	5,989
48	Income from Properties and Estates	(2,833)	(2,860)	(2,900)	(2,927)	(2,927)
49	Interest on Invested Funds	(89)	(89)	(89)	(91)	(92)
50	Lands of Skene/Torry (Share of Surplus)	(70)	(70)	(70)	(70)	(70)
51	Burgesses of Guild and Trade	(0)	(0)	(0)	(0)	(0)
	ORDINARY INCOME	(2,992)	(3,019)	(3,059)	(3,088)	(3,089)
52	Income from sale of land Pinewood/Hazledene	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)
	TOTAL INCOME	(5,992)	(6,019)	(6,059)	(6,088)	(6,089)
	Net (Surplus)/Deficit	723	(122)	(119)	(123)	(101)
53	Movement in Reserves					
	Projected Balance at 31 March 2014	(7,051)				
	Estimated Movement in 2014/15	723				
	Projected Balance at 31 March 2015	(6,328)	(6,328)			
	Estimated Movement in 2015/16	(122)	(122)			
	Projected Balance at 31 March 2016		(6,450)	(6,450)		
	Estimated Movement in 2016/17		(119)	(119)		
	Projected Balance at 31 March 2017			(6,569)	(6,569)	
	Estimated Movement in 2017/18			(123)	(123)	
	Projected Balance at 31 March 2018				(6,693)	(6,693)
	Estimated Movement in 2018/19				(101)	(101)
	Projected Balance at 31 March 2019					(6,793)

Appendix 1

Notes to accompany Common Good Budget

Note 1

This budget is used to insure properties owned by the Common Good.

Note 2

This is a budget for repairs and maintenance costs for properties owned by the Common Good.

Note 3

This represents a contribution towards the fees paid to the Carillonneur.

Note 4

This budget is for items including the printing of the Town House brochure and promoting the Office of the Lord Provost.

Note 5

This budget is to provide refreshments during official City Council business.

Note 6

This represents core funding for Aberdeen Citizen's Advice Bureau.

Note 7

This funding is for the provision of financial and organisational support to people, communities and organisations in the City wishing to become involved in twin city projects, and also contributes to the costs of a Twinning Officer.

Note 8

This is a contribution towards the costs of Aberdeen International Youth Festival, Aberdeen Performing Arts and Peacock Visual Arts.

Note 9

This represents a contribution towards the running costs of the City's annual Techfest festival, held in various venues throughout the City during September.

Note 10

This is a grant to cover the cost of Satrosphere's rental of premises from Aberdeen City Council.

Note 11

This is a contribution towards the Aberdeen Bulawayo Trust, which provides support to people in Bulawayo, primarily focusing on the development of self-sustaining market gardens and the repair and maintenance of homes and shelters.

Note 12

This is a contribution towards the Aberdeen Gomel Trust, which addresses and helps to resolve the medical, nutritional, social and spiritual problems experienced by the people of Gomel.

Note 13

This is funding for the Mary Garden Prize, currently presented as part of the Aberdeen International Youth Festival.

Note 14

This budget covers 3 annual £1,000 awards for the Quincentenary Prize, presented by the University of Aberdeen since 1995 to commemorate the 500th Anniversary of King's College.

Note 15

This provides match funding for Aberdeen Performing Arts in relation to a grant awarded by Creative Scotland towards the costs of programming at His Majesty's Theatre.

Note 16

This represents core funding for Aberdeen Safer Community Trust.

Note 17

This is funding for the City Council youth activity small grants scheme. This scheme offers young people opportunities to contribute to their own communities and to the life of the city.

Note 18

This is a grant to cover the cost of the rental of the Arts Centre.

Note 19

This is funding towards the costs of organizing the events as listed in the financial statement.

Note 20

This is a grant to cover the cost of the rental of the Lemon Tree.

Note 21

This is a budget to provide for a bus service to the crematorium.

Note 22

This is to fund the City's Hogmanay celebrations.

Note 23

This is a budget towards the costs of festive events held at the Council's leased community centres.

Note 24

This is a budget for the Civic Support team, incorporating the Lord Provost's secretariat, Town Sergeants and civic transportation.

Note 25

This is a budget for the cost of the Christmas illuminations.

Note 26

This is a budget to cover the costs of administering and delivering the 50+ development programme and entertainment for the elderly and disabled.

Note 27

This is a budget to cover the salary costs of a development officer to work with elderly citizens.

Note 28

This is a budget to cover the costs of hosting civic receptions.

Note 29

This is a budget for promotional civic hospitality.

Note 30

This is a contribution towards the costs of running the City Archive Unit.

Note 31

This is a budget to cover the allocation of central support costs such as finance, HR and office accommodation.

Note 32

This is funding for the Home Safety Check Scheme run by Aberdeen City Council.

Note 33

This is a budget to cover the rental and running costs for a charity shop in George Street.

Note 34

This is funding for the Personal Alarms distributed on behalf of the City Council by Aberdeen Safer Community Trust.

Note 35

The Civic Gift Fund provides a budget for the purchase of gifts presented to guests and visitors by the Lord Provost on behalf of the City.

Note 36

This budget covers the costs incurred by the Lord Provost in discharging his duties as Lord Lieutenant.

Note 37

This budget covers the costs of the annual of the Armistice Day event.

Note 38

This is a budget to cover funding for pictures loaned from the Art Gallery for display in other Council buildings.

Note 39

This is a fund towards the costs of the Depute Provost's activities in building and enhancing business links for the benefit of the City of Aberdeen.

Items 40 to 48 are one-off items of expenditure and therefore non-recurring.

Note 40

This is a budget for the rebuild of a steading at Kepplestone and Kirkhills Farm. The buildings have now been in a poor condition for some time and are long overdue for replacement.

Note 41

This is to replace a building at Fernhill Farm which has been demolished for Health & Safety reasons.

Note 42

This is a budget for estate management in relation to the properties owned by the Common Good.

Note 43

This is to fund the costs of 4 Scots Homecoming Parade down Union Street.

Note 44

This is to fund the costs of the Auchmill Golf Course works as part of the Greenferns Development, over and above the value of the sum of money already included in earmarked reserves.

Note 45

This is to fund the costs of electrical and asbestos surveys on properties owned by the Common Good as there are a number of properties in need of upgrading.

Note 46

This is a budget to cover the future costs of providing a Lord Provost portrait.

Note 47

This is the investment of the income from the sale of land at Pinewood/Hazledene, and offsets against line 52.

Note 48

Around 100 properties have registerable leases on land owned by the Common Good. In addition to this, the Common Good owns land at Brimmond Hill, Hazlehead, Hilton, Hillhead of Pitfodels, Kincorth, Kepplehills, Tullos and Mastrick, all of which generate income for the Common Good and which is reflected in this budget.

Note 49

This is a budget to cover interest received on invested funds.

Note 50

The Common Good owns 51% of the Lands of Torry Trust and 30% of the Lands of Skene Trust. These trusts earn income in rents and interest from investment.

Note 51

This is a budget to represent income from admission fees for Burgesses of Guild and Trade.

Note 52

This is the income from the sale of land at Pinewood/Hazledene and is offset against line 47.

Note 53

This line represents the movement in the Common Good's cash reserves.