

ABERDEEN CITY COUNCIL

COMMITTEE	Finance, Policy and Resources
DATE	6 th May 2014
CHIEF EXECUTIVE	Valerie Watts
TITLE OF REPORT	2013/14 Common Good Budget – Monitoring Report Update
REPORT NUMBER:	CG/14/052
CHECKLIST RECEIVED	Yes

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 28 February 2014, 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 28 February 2014 and the forecast outturn for the year to 31 March 2014; and
- b) Notes the forecast cash balances as at 31 March 2014 of £7M 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 £850K which is an unfavourable variance from budget of £380K. 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
Steading at Kepplestone and Kirkhills Farm - not being rebuilt this financial year. Budget will need to be carried forward to 2014/15.	(125)
Rental income - rent reviews.	(60)
Civic Support Team - non filling of vacant posts has resulted in a saving.	(35)
Receptions - a decrease in application numbers for this year has resulted in a saving.	(30)
Lord Provost Gift Fund/Lord Lieutenancy - close monitoring of these budgets is expected to result in a saving.	(5)
Archivist Unit - The overspend relates to central support costs and reflects the actual CSS expenditure in 2012-13.	10
Repairs & Maintenance - Farm properties - Expenditure agreed at Finance, Policy & Resources on 26th September 2013.	20
Energies City Challenge Cup - agreed at Urgent Business Committee 11th July 2013.	25
Interest on invested funds.	30
Youth Cup Final tickets agreed at Urgent Business Committee 14th February 2014.	50
Tenants Compensation - This expenditure was agreed at Finance and Resources on 21st February 2013.	500
	<hr/>
	380

Cash Balances


- 5.3 The forecast cash balance as at 31 March 2014 is £7M. 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 the Resources Management committee on 18th January 2008 for the 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.
- 5.4 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.
- 5.5 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.
- 5.6 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 28 February 2014	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	2,878	992	992	0	2,838	(40)	(1.4%)
Recurring income	(2,846)	(2,508)	(2,508)	0	(2,874)	(28)	1.0%
Budget after Recurring Items	32	(1,516)	(1,516)	0	(36)	(68)	(212.5%)
Non Recurring Expenditure	442	10	509	499	890	448	101.4%
TOTAL	474	(1,506)	(1,007)	499	854	380	80.2%

Cash Balances as at 1 April 2013 (unaudited)	(7,853)	(7,853)
Estimated Cash Balances as at 31 March 2014	<u>(7,379)</u>	<u>(6,999)</u>
Minimum cash balance requirement per budget report (Council 14th February 2013)	<u>(5,800)</u>	<u>(5,800)</u>

Note 1

The forecast outturn figure takes into account £1.62M 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.