

ABERDEEN CITY COUNCIL

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COMMITTEE	Finance, Policy and Resources
DATE	4 <sup>th</sup> December 2014
CHIEF EXECUTIVE	Angela Scott
TITLE OF REPORT	2014/15 Common Good Fund – Monitoring Report Update
REPORT NUMBER:	CG/14/150
CHECKLIST RECEIVED	Yes

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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 year to 31 March 2015.
  - b) Provide a forecast position of the cash balances as at 31 March 2015.

2. RECOMMENDATION(S)

- 2.1 It is recommended that the Committee:
- a) Notes the income and expenditure position as at 31 March 2015; and
  - b) Notes the estimated cash balances as at 31 March 2015 of £6.6M 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 figures for the year to 31 March 2015 show a deficit position of £1.1M which is an unfavourable variance from budget of £90K. A table summarising income and expenditure is given in Appendix A to this report.
- 5.2 The main variances from budget are:-

	£'000s
Duthie Park Project - F&R 21.04.11	100
Games Legacy - FP&R 06.05.14	25
Civic Support - Staff vacancies	(25)
Archivist - Staff vacancies	(10)
	90

### **Cash Balances**


- 5.3 The cash balance as at 31 March 2015 is £6.6M. Included in this amount is a sum of £4K remaining for the Greenfern Development within earmarked reserves. A total budget of £450K was agreed at the Resources Management Committee on 18<sup>th</sup> January 2008 for the Greenfern Development and this money will be paid back into the Common Good Fund at a later date.
- 5.4 The Council agreed at the budget setting meeting on 6<sup>th</sup> February 2014 that the minimum cash balance should be the equivalent of two years worth of expenditure. This equates to £6.3M.
- 5.5 As trustee of the Common Good Fund, 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. COMMUNITY & SERVICE IMPACT

- 6.1 To enable the Common Good Fund to support the wide range of ventures that it does, it is essential that it is managed effectively, it's 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

<b>COMMON GOOD FUND</b>		Figures in Brackets represent income or a favourable variance						
As at end of September 2014		Year to Date				Forecast to Year End		
Accounting Period 6		Full Year Revised Budget	Revised Budget	Actual Expenditure	Variance Amount	Outturn Note 1	Variance Amount	Variance Percent
		£'000	£'000	£'000	£'000	£'000	£'000	%
Recurring Expenditure		2,935	567	567	-	3,001	66	0.0
Recurring income		(2,992)	(1,459)	(1,459)	-	(2,992)	0	0.0%
<b>Budget after Recurring Items</b>		<b>(57)</b>	<b>(892)</b>	<b>(892)</b>	-	<b>9</b>	<b>66</b>	<b>(115.8%)</b>
Non Recurring Expenditure		1,062	15	15	-	1,087	25	2.4%
<b>TOTAL</b>		<b>1,005</b>	<b>(877)</b>	<b>(877)</b>	-	<b>1,096</b>	<b>91</b>	<b>9.1%</b>
<b>Cash Balances as at 1 April 2014 (unaudited)</b>		<b>(7,700)</b>				<b>(7,700)</b>		
<b>Estimated Cash Balances as at 31 March 2015</b>		<b>(6,695)</b>				<b>(6,604)</b>		
<b>Minimum cash balance requirement per budget report (Council 6th February 2014)</b>		<b>(6,330)</b>				<b>(6,330)</b>		
<b>Note 1</b>								
The forecast outturn figure takes into account £1.74M 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.								