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| COMMITTEE | Finance, Policy & Resources |
| DATE | 4 th December 2014 |
| LEAD OFFICER | Chief Executive |
| TITLE OF REPORT | Common Good Budget 2015/16 and indicative 2016/17 to 2019/20 Budget |
| REPORT NUMBER: | OCE/14/039 |

1. PURPOSE OF REPORT

This report submits for Elected Members' consideration the draft Common Good budget for 2015/16, along with an indicative 2016/17-2019/20 budget.

2. RECOMMENDATIONS

It is recommended that the Committee: -

- a) considers the Common Good budget for 2015/16 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 2015 for approval; and
- b) notes the 2016/17-2019/20 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 2015/16 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 A full review of the Common Good budget has been 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 internal and external to 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 2015/16, 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 2014/15

- 5.5 The projected outturn for 2014/15 shows a deficit of £1,095,000 compared with a budgeted deficit of £1,005,000.
- 5.6 The detrimental movement of £90,000 comparing budget to out-turn is primarily due to the unbudgeted commitment for debt charges for the Duthie Park Project.

Draft Budget 2015/16

- 5.7 In developing the draft Common Good budget for 2015/16, 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 Communities, Housing & Infrastructure.

- 5.9 The draft budget for 2015/16 is provided at **Appendix 1**. The figures assume that £500,000 can be invested in the Loans Fund, thereby generating additional income for the Common Good Fund. If approval is given for this level of expenditure, the balance on the Common Good Fund at 31st March 2016 is estimated to be £6.1m. This meets the requirements of the cash balances strategy approved by the Finance & Resources Committee on 6th December 2012 and set out below.

Indicative Budgets 2016/17-2019/20

- 5.10 The budgets shown in Appendix 1 for the 4 years 2016/17 to 2019/20 are for indication only, and will be reviewed during the 2016/17 budget process, which will focus on improving the outcomes for the people of Aberdeen by transforming services.

Cash Balances

- 5.11 Based on the budget projections for 2015/16, there are projected cash balances of £6.1 million as at 31st March 2016.
- 5.12 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 2016/17 and 2017/18 totals £6.08m. Given the estimated budgeted balances on 31st March 2016 of £6.1m, the requirements of the strategy are met and the budget is fully committed for 2015/16.
- 5.13 Committee will note and 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 2014/15 and indicative 2015/16 – 2018/19 Budget (OCE/13/034)

8. REPORT AUTHOR DETAILS

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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 grant to cover the cost of renting an office next to the Lemon Tree Theatre.

Note 22

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

Note 23

This is to fund the City's Hogmanay celebrations.

Note 24

This is a budget towards the costs of maintenance and upgrade works at Hazlehead Park.

Note 25

This is to fund the Diamond Jubilee Commonwealth Travel Bursary for young people.

Note 26

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

Note 27

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

Note 28

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

Note 29

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

Note 30

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

Note 31

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

Note 32

This is a budget for promotional civic hospitality.

Note 33

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

Note 34

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

Note 35

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

Note 36

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

Note 37

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

Note 38

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 39

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

Note 40

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

Note 41

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

Note 42

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.

Note 43

This is a budget for the servicing of the capital debt for the upgrade to Duthie Park.

Note 44

These items are one-off items approved by Council for expenditure in 2014/15.

Note 45

This is the investment of the income from the sale of land at Pinewood/Hazledene.

Note 46

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 Pitfodells, Kincorth, Kepplehills, Tullos and Mastrick, all of which generate income for the Common Good and which is reflected in this budget.

Note 47

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

Note 48

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 49

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

Note 50

This is the income from the sale of land at Pinewood/Hazledene and is offset against line 45.

Note 51

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