

ABERDEEN CITY COUNCIL

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COMMITTEE	Finance, Policy and Resources
DATE	23 <sup>rd</sup> April 2015
CHIEF EXECUTIVE	Angela Scott
TITLE OF REPORT	2014/15 Common Good Fund – Monitoring Report Update
REPORT NUMBER:	CG/15/043
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;
  - b) Notes the estimated cash balances as at 31 March 2015 of £6.7M based on current estimates, which is within the recommended levels indicated by the Head of Finance;
  - c) Agrees to carry forward 2014/15 budget underspends in an earmarked reserve to allow completion of park and property maintenance and development projects in future years; and
  - d) Agrees that as we approach year end, the Head of Finance will review and consider the overall 2014/15 position of the Common Good Fund and take the appropriate action necessary to ensure the Fund is suitably financially prepared for future revenue and capital investment purposes.

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 £950K which is a favourable variance from budget of £55K. There is a risk that a number of park and property maintenance & development projects will not be completed within 2014/15. Quantification of this underspend will not be clear until the closure of the financial year. 2014/15 underspends will be required in future years to ensure delivery of the approved park and property maintenance and development projects. A table summarising income and expenditure is given in Appendix A to this report.
- 5.2 The main variances from budget are:-


	<b>£'000s</b>
Duthie Park Project - F&R 21.04.11	100
Town & County Hall Maintenance	60
Games Legacy - FP&R 06.05.14	25
Receptions	15
Civic Support - Staff vacancies	(40)
Property Rent Reviews (includes backdated invoices)	(150)
Fernhill Replacement Building	(40)
Archivist - Staff vacancies and increased income	(25)
	<u>(55)</u>

### **Cash Balances**

- 5.3 The cash balance as at 31 March 2015 is £6.7M.
- 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, its value maintained and investment returns improved to ensure its sustainability for the future.

7. REPORT AUTHOR DETAILS

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8. BACKGROUND PAPERS

None.

## Appendix A

### COMMON GOOD FUND

Figures in Brackets represent income or a favourable variance

As at end of February 2015		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	2,935	1,079	1,079	-	2,988	53	0.0
Recurring income	(2,992)	(2,810)	(2,810)	-	(3,143)	(151)	5.0%
<b>Budget after Recurring Items</b>	<b>(57)</b>	<b>(1,731)</b>	<b>(1,731)</b>	-	<b>(155)</b>	<b>(98)</b>	1.7
Non Recurring Expenditure	1,062	64	64	-	1,107	45	4.2%
<b>TOTAL</b>	<b>1,005</b>	<b>(1,667)</b>	<b>(1,667)</b>	-	<b>952</b>	<b>(53)</b>	-5.3%

Cash Balances as at 1 April 2014 (unaudited) (7,700) (7,700)

Estimated Cash Balances as at 31 March 2015 (6,695) (6,748)

Minimum cash balance requirement per budget report (Council 6th February 2014) (6,330) (6,330)

#### Note 1

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.