

ABERDEEN CITY COUNCIL

COMMITTEE: City Council Budget Management
DATE: 11 February 2010
REPORT BY: City Chamberlain
TITLE OF REPORT Common Good Budget –2010/11 to 2012/13
REPORT NUMBER: CG/10/033

1. PURPOSE OF REPORT

1.1 This report is to submit for the Council's consideration the draft Common Good Budget for 2010/11, along with indicative budgets for 2011/12 and 2012/13.

2. RECOMMENDATION(S)

2.1 It is recommended that the Council: -

- a) Consider the detailed Common Good Budget for 2010/11, set out at **Appendix 1** and the forecast Cash Balances position;
- b) Approves a Common Good Budget, taking into consideration:-
 - 1) Any proposals to amend the draft budget (at **Appendix 1**)
 - 2) Any decisions arising out of consideration of items referred to the budget process (at **Appendix 7**)
 - 3) Council's approval of the General Fund budget
 - 4) The impact of the above on Cash Balances.

3. FINANCIAL IMPLICATIONS

- 3.1 The Report outlines proposals for the Common Good Budget for the year to 31 March 2011 and indicative figures for the succeeding two years.
- 3.2 It also provides details of the recommended minimum cash balances required to be held on the Common Good after they are adjusted for inflation using the Consumer Price Index (CPI) to maintain their value.

- 3.3 Based on the budget projections for 2010/11 to 2012/13 there are projected cash balances of £4.954M as at 31 March 2011 falling to £4,730M as at 31 March 2013 which would be some £117,000 above the indicative level required to maintain the Common Good. This is after allowing for an adjustment to the recommended minimum cash balance, in respect of expenditure on the Greenfern Development Site.
- 3.3 It is recommended that the strategy for 2010/11 should be to limit expenditure to a level, which will result in cash balances at the end of the financial year being above the indicative value of £4.594M. This is necessary in order to assist with the maintenance in future years of cash balances linked to CPI levels, after taking account of projected expenditure in those years.

4. SERVICE & COMMUNITY IMPACT

- 4.1 The management of the Common Good contributes towards the most efficient and effective use of the Council's funds.
- 4.2 It is essential that the Common Good is managed in such a way that it continues to be able to support the wide range of artistic and other ventures it presently does.

5. OTHER IMPLICATIONS

- 5.1 The Common Good provides funding amongst other things for Promotion of the City, Xmas Illuminations and Twinning, which contribute to the sustainable economic development of the City. Health and Safety in the Community is supported by funding for Home Safety Checks and Funding for Personal Alarms.
- 5.2 If close budgetary control does not continue to be exercised and maintained and recurring deficits were to arise then there would be a risk that the Common Good's balances could be gradually eroded below acceptable levels.

6. REPORT

Introduction

- 6.1 In preparing a draft Common Good Budget for 2010/11 to 2012/13, the strategy approved by the Finance Monitoring Sub-Committee of 24 August 2004 has been applied. The calculation of an indicative cash balance using the Consumer Price Index (CPI) as part of the budget setting process has been adopted as an underlying principle.

- 6.2 Included in the Common Good budget for 2008/09 was £450,000 of expenditure approved by Resource Management Committee on 18th January 2008 relating to the Greenfern Development Site. While the Common Good has adequate cash funds to meet this expenditure it will put pressure on the maintenance of the recommended minimum cash balances, pending the recouping of this expenditure at the completion of the project.
- 6.3 In view of this, where indicative cash balances are shown in this report they have been reduced by £450,000 in respect of this to allow meaningful comparisons. The adjustment for Greenfern Development has also been uplifted in line with CPI to allow for the maintenance of its value
- 6.4 The CPI figure has been taken as 1.1 % for 2010/11, 0.1% for 2011/12 and 0.0% for 2012/13 in accordance with forecast figures supplied by financial analysts. It is estimated that the following levels of Cash balances would be required to maintain the value of the Cash Balances in the Common Good:

As at:	
31 March 2011	£4.594M
31 March 2012	£4.613M
31 March 2013	£4.613M

- 6.5 A report on the origin, history and purposes to 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: -
- 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 is in the bona fide and reasonable judgement of the Council, is for the good of the community as a whole or which the inhabitants at large may share.
- 6.6 It was also outlined that the prime purpose of the Council is to ensure that the Common Good is prudently conserved.
- 6.7 In addition, recent practice has excluded any activity from receiving assistance from the Common Good for which Aberdeen City Council or other public body has a statutory duty to support.

Draft Budget 2010/11 to 2012/13

- 6.8 In setting the Common Good budget appropriate input has been provided by external bodies supported by the Common Good and the various officers responsible for the different expenditure and income lines. For the calculation of staff costs for the coming year, no increase has been included in the budget. This is consistent with the assumptions used in the General Fund.
- 6.9 In the current financial climate, and given the importance of income from invested funds to the Common Good, it has been necessary to review projections for interest rates closely taking account of forecasts prepared by external financial analysts. On this basis the estimated interest rate for 2010/11 has been taken at 1.0% increasing to 2.5% for future years.
- 6.10 An outline of indicative budgets for 2010/11 to 2012/13 is provided at **Appendix 8**. In building these figures the following broad assumptions have been made in addition to that outlined in paragraph 6.9.
- Staffing costs rises have not been included in the budgets.
 - Average Interest rates reflect the projections currently being made by financial analysts enabling a 2.5% return on investments by 31 March 2013.
 - Rental income is based on projections provided by Asset Policy, Resources Development & Delivery.
 - The rate of increase in CPI is in line with the forecasts currently being made by financial analysts of 0.1% for 2011/12 and 0.0% for 2012/13.
 - Recently there have been indications that inflation may be higher than previously forecast, however the Monetary Policy Committee at its January meeting agreed to continue its financial policy unchanged at this time. In view of this the assumptions used in this report have also not been changed. These broad assumptions will of course be reviewed when the detailed budgets for each of these years are considered in 2011 and 2012 respectively.
- 6.11 Based on the figures attached it can be seen at **Appendix 8**, subject to review, that the cash balances would be £4.796M at 31 March 2012 and £4.729M at 31 March 2013 compared to the preferred levels of £4.613M in both years. The Cash Balance position is outlined further in paragraphs 6.3 and 6.4.

6.12 The following detailed information is provided in relation to the Common Good: -

Appendix Description

- 1 Common Good Draft Revenue Budget 2010/11
- 2 Analysis of Misc. and General Income and Expenditure Headings
- 3 Donations, Grants, Contributions etc (Line 4)
- 4 Other Projects (Line 17)
- 5 Variances 2009/10 Budget to Outturn– Recurring Items
- 6 Variances 2010/11 Budget to 2009/10 Budget – Recurring Items
- 7 Items to be referred to the budget process
- 8 Draft Common Good Revenue Budgets – 2010/11, 2011/12, 2012/13
- 9 Aberdeen Citizen’s Advice Bureau pension fund deficit funding request
- 10 Aberdeen Safer Community Trust funding cut impact letter
- 11 St Nicholas Carillon report (issued separately)
- 12 Gomel Trust balances and committed expenditure

Copies of **appendices 9 and 10** are available in the member’s library.

Projected Out-turn 2009/10

6.13 In order to project the cash balance position for the period 2010/11 to 2012/13 it has been necessary to review the estimated Cash Balances as at 31 March 2010. Taking account of current expenditure levels and expected expenditure for the remainder of the year the forecast figure for Cash Balances as at 31 March 2010 is currently £5.318M as detailed in **Appendix 1**. When the 2009/10 budget was approved in February 2009 the Cash Balance as at 31 March 2010 was expected to be £5.240M.

6.14 The favourable movement of £78,228 comparing budget to out-turn is broken down in **Appendix 5**.

Draft Budget 2010/11

6.15 The attached **Appendices 1 to 8** provide detailed information in regard to proposals for the Common Good Draft Budget for 2010/11 along with Estimated Outturn Results for 2009/10 compared to the budget position for 2009/10.

6.16 **Appendix 1** provides proposals in regard to the Common Good Budget 2010/11. The most significant variances between the 2010/11 draft budget and the previous year' budget are as follows:-

	£s	
General Properties/Estates	(25,800)	Removal of Water rates budget. Repairs budget reduced to more accurately reflect actual expenditure.
Receptions	(35,000)	Removal of one off increase for European Curling Championships. Decrease in reception budget of £10,000 to reflect actual expenditure.
Archivist Unit	(28,029)	Review of budget has identified areas of expenditure where costs could reduce in the future so budget has been adjusted for this.
Contributions to Trusts and Festivals	(35,000)	Decrease in expenditure within the Festivals/Trusts budget means the contribution from the Common Good can decrease.
Income from Properties and Estates	(117,301)	Increased income expected following rent reviews.
Interest on Invested Funds	147,000	Reflects the likely interest rates to be in force over the coming year.

6.17 Details of these and other variances are given in **Appendices 5 and 6**.

6.18 The draft 2010/11 Budget shows a projected net expenditure of £363,817. In addition at **Appendix 7** there are potential bid items that are not built into the draft Budget and are for members' consideration.

6.19 In addition to outlining proposals for the Common Good Budget for the year to 31 March 2011 indicative figures for the succeeding two years are provided at **Appendix 8**.

Items Referred to the Budget Process

6.20 There are several items which have to be considered as part of the budget process, full details of these are provided at **Appendix 7**.

Cash Balances

- 6.21 This report also provides details of the recommended minimum cash balances required to be held on the Common Good after they are adjusted for inflation using the Consumer Price Index (CPI) to maintain their value. Based on the budget projections for 2010/11 to 2012/13 there are projected cash balances of £4.954M as at 31 March 2011 falling to £4.730M as at 31 March 2013 which would be some £117,000 above the indicative level required to maintain the Common Good.
- 6.22 It is recommended that the strategy for 2010/11 should be to limit expenditure to a level, which will result in cash balances at the end of the financial year being above the indicative value of £4.594M. This is necessary in order to assist with the maintenance in future years of cash balances at CPI levels, after taking account of projected expenditure in those years. In addition as funds presently invested in the money market mature, consideration should to be given to other investment mediums, including property to ensure the best return on investment is being achieved.
- 6.23 It is the duty of the Council as trustees of the Common Good to ensure that the Cash Balances are maintained, and the Common Good is preserved for future generations.
- 6.24 Net expenditure from the Common Good has traditionally been looked at on two levels. Firstly the position after recurring income and expenditure has been accounted for and secondly after non-recurring income and expenditure has been accounted for.
- 6.25 As can be seen in **Appendix 8** the position after recurring expenditure remains in a deficit position at all times. The reason for this is that long-term commitments now exceed income levels as a result of inflationary pressures and the addition of new commitments over time. In light of the current economic position, and the forecast position in 2010/11, the return on cash investments is expected to be considerably less than previously e.g. 1.0% for 2010/11 rising to 2.5% for 2012/13, which will maintain these financial pressures.
- 6.26 However there are expected benefits to come from the Greenfern development which have not been finally quantified, and while the timing of this project will be affected by the present economic situation, significant income is still expected. The impact of this and the alternatives to investing cash will be considered as part of the financial management strategy for the Common Good once the financial details of the Greenfern project are finalised.

7. AUTHORISED SIGNATURE

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9. BACKGROUND PAPERS

Index to Appendices and Reports

Appendix No. Description

1	Common Good Draft Revenue Budget 2010/11
2	Analysis of Misc. and General Income and Expenditure Headings
3	Donations, Grants, Contributions etc (Line 4)
4	Other Projects (Line 17)
5	Variances 2009/10 Budget – Recurring Items
6	Variances 2009/10 budget to 2010/11 Budget – Recurring Items
7	Items to be referred to the budget process
8	Draft Revenue Budgets – 2010/11, 2011/12, 2012/13
9	Aberdeen Citizen’s Advice Bureau pension fund deficit funding request
10	Aberdeen Safer Community Trust funding cut impact letter
11	St Nicholas Carillon report (issued separately)
12	Gomel Trust balances and committed expenditure

Copies of the **appendices 9 and 10** are available in the member's library.

Report No.	<u>Organisations/Activities</u>	<u>Budget Line</u>
A	Aberdeen Citizens Advice Bureau	4
B	Techfest	4
C	Bulawayo Trust	4
D	APA – Stage 1 Agreement	4
E	Aberdeen Safer Community Trust	4
F	Civic Administration Unit	5
G	Twinning Activities	13
H	Archivist	14
I	Xmas Illuminations & Festival	15
J	Home Safety Check	17

Copies of the above reports are available in the member's library.

RECURRING EXPENDITURE

	BUDGET 2009/10 £s	ESTIMATED OUT-TURN 2009/10 £s	BUDGET 2010/11 £s	% CHANGE IN BUDGETS
1 General Properties/Estates	52,600	41,800	25,800	(50.95)
2 Miscellaneous Expenses	34,028	34,028	29,528	(13.22)
3 Central Support Services	141,834	141,834	141,834	-
4 Donations, Grants, Contributions	680,525	683,440	670,225	(1.51)
Civic Hospitality				
5 Civic Administration Unit	290,739	285,531	293,615	0.99
6 Receptions, etc	200,000	170,000	165,000	(17.50)
7 Entertainment for Elderly/Disabled Citizens	195,000	195,000	195,000	-
8 Older Persons Development Officer	17,410	17,410	17,410	-
9 Hospitality for Community Centres	4,000	4,000	4,000	-
10 Misc. Civic Hospitality Expenditure	25,700	20,700	23,000	(10.51)
11 Sub-Total Civic Hospitality	732,849	692,641	698,025	
12 Upkeep of Civic Car	51,332	55,947	51,292	(0.08)
13 Funding - Twinning Activities	137,352	137,352	137,352	-
14 Archivist Unit	209,505	209,505	181,476	(13.38)
15 Christmas Illuminations and Festivals	228,000	228,000	213,000	(6.58)
16 Contributions to Trusts & Festivals	360,000	360,000	325,000	(9.72)
17 Other Projects	85,780	85,780	85,876	0.11
18 Other Recurring Expenditure	42,250	37,500	40,250	(4.73)
19 Sub-Total Recurring Expenditure	2,756,055	2,707,827	2,599,658	(5.67)

RECURRING INCOME

	BUDGET 2009/10 £s	ESTIMATED OUT-TURN 2009/10 £s	BUDGET 2010/11 £s	
20 Income from Properties and Estates	(2,129,390)	(2,129,390)	(2,246,691)	5.51
21 Interest on Invested Funds	(201,000)	(201,000)	(54,000)	(73.13)
22 Miscellaneous Income	(70,150)	(70,150)	(60,150)	(14.26)
23 Total Recurring Income	(2,400,540)	(2,400,540)	(2,360,841)	(1.65)
24 Budgeted (surplus)/deficit on recurring items	355,515	307,287	238,817	(32.83)

	BUDGET 2009/10 £s	ESTIMATED OUT-TURN 2009/10 £s	BUDGET 2010/11 £s	% CHANGE IN BUDGETS
<u>Non Recurring Expenditure Items</u>				
25 "Energising Aberdeen" Music Event	30,000	0	-	(100.00)
26 Artists Rooms - Ron Meuk	10,000	10,000	-	(100.00)
27 Nativity Scene purchase	2,000	2,000	-	(100.00)
28 Gordon Highlanders Statue	-	-	125,000	100.00
<u>Non Recurring Income Items</u>				
29 Sale of Land at Overhills Farm	-90,000	-90,000	-	(100.00)
30 Sub-Total Non-Recurring Items	-48,000	-78,000	125,000	
31 Budget Deficit after Non-Recurring Items	307,515	229,287	363,817	18.31
32 Cash Balances as at 1 April	(5,548,000)	(5,548,000)	(5,318,713)	
33 Estimated Cash Balances as at 31 March	(5,240,485)	(5,318,713)	(4,954,896)	
34 Cash Balance Required to maintain value using CPI	(5,010,158)	(5,010,158)	(5,065,270)	
35 Adjustment for Greenfern Development Site	465,750	465,750	470,873	
36 Revised Cash Balance to maintain value using CPI	(4,544,408)	(4,544,408)	(4,594,396)	

NOTES

1 - At the Finance Monitoring Sub- Committee of 24 August 2004 it was agreed that the minimum cash balance requirement for the Common Good would be established as part of the Budget Setting process using the Consumer price Index.

2 - Budget lines with supporting information included in Appendices nos. 2 to 8.

Appendix

1.General Properties/Estates	2
2 Miscellaneous Expenses	2
4. Donations, Grants, Contributions	3
10. Misc. Civic Hospitality Expenditure	2
17. Other Projects	4
18. Other Recurring Expenditure	2
22. Miscellaneous Income	2

2 - The following Budget lines are supported by additional information on the organisations and activities involved by way of reports, copies of which are attached. These reports will form the basis of a Following the Public Pound review.

	Report
4. Donations, Grants, Contributions	A - E
5. Civic Administration Unit	F
12. Upkeep of Civic Car (including lease costs)	F
13. Funding - Twinning Activities	G
14. Archivist Unit	H
15. Christmas Illuminations and Festivals	I
17. Other Projects	J

Copies of the above reports are available in the member's library.

Appendix 2

**ANALYSIS OF MISCELLANEOUS & GENERAL
INCOME & EXPENDITURE HEADINGS**

	BUDGET 2009/10 £s	ESTIMATED OUT-TURN 2009/10 £s	BUDGET 2010/11 £s
<u>General Properties/Estates</u>			
Rates and Insurance	2,600	1,800	1,800
Repairs and Maintenance	50,000	40,000	24,000
Sub-Total General Properties/Estates	52,600	41,800	25,800
<u>Miscellaneous expenditure</u>			
Green Market - Rates	2,500	2,500	-
St. Nicholas Carillon	5,928	5,928	5,928
Printing, Advertising and Sundry Outlays, etc.	7,600	7,600	6,600
Official Catering	18,000	18,000	17,000
Sub Total Miscellaneous expenditure	34,028	34,028	29,528
<u>Civic Hospitality</u>			
Promotional Civic Hospitality	8,000	3,000	8,000
Hospitality to Visitors/Groups to the Town House	17,000	17,000	15,000
Charges for Conferences/complimentary Packs & Tickets	200	200	-
Table Ware	500	500	-
Total Misc. Civic Hosp.	25,700	20,700	23,000
<u>Other recurring Expenditure</u>			
Lord Provost's Gift Fund	18,000	18,000	18,000
Lord Provost - Lord Lieutenancy and other duties	8,750	4,000	6,750
Display of Flags and Regimental Colours and Armistice Day Expenses	5,500	5,500	5,500
Picture Loan Scheme	10,000	10,000	10,000
Total Other recurring Expenditure	42,250	37,500	40,250
<u>Misc. Income</u>			
Lands of Skene/Torry - Share of Surplus	(70,000)	(70,000)	(60,000)
Burgesses of Guild and Trade	(150)	(150)	(150)
Total Misc. Income	(70,150)	(70,150)	(60,150)

4. DONATIONS, GRANTS, CONTRIBUTIONS, ETC.

	BUDGET 2009/10 £	PROJECTED OUTTURN 2009/10 £	BUDGET 2010/11 £	Report
Aberdeen Citizen's Advice Bureau	263,025	263,025	263,025	A
Techfest	36,500	36,500	36,500	B
Satrosphere	35,000	35,000	35,000	
Bulawayo Trust	50,000	50,000	50,000	C
Gomel Trust	-	-	-	
North Sea Society	2,500	-	-	
Young Person of the Year Award	1,500	-	-	
Equal Opportunities Award	1,500	-	-	
Mary Garden Prize	1,500	1,500	1,500	
Presentations Prizes Etc.	5,000	500	1,000	
Quincentenary Prizes Etc.	4,000	4,000	3,200	
Stage 1 Agreement				
Aberdeen Performing Arts Contribution	75,000	75,000	75,000	D
Aberdeen Safer Community Trust	57,000	57,000	57,000	E
Youth Activities Small Grant Funding	50,000	50,000	50,000	
Castlegate Arts Centre Rent	8,000	8,000	8,000	
Events Funding	50,000	62,915	50,000	
Lemon Tree Rent	40,000	40,000	40,000	
Sub Total	<u>680,525</u>	<u>683,440</u>	<u>670,225</u>	

Copies of the above reports are available in the member's library.

**COMMON GOOD BUDGET 2009/2010
OTHER PROJECTS**

Appendix 4

PROJECT	2009/10 £	20010/11 £	Report (where applicable)
Home Safety Check Scheme	71,280	71,376	J
Charity Shop	13,000	13,000	
Community Safety Initiatives	1,500	1,500	
	<u>85,780</u>	<u>85,876</u>	

Copies of the above reports are available in the member's library.

Common Good Budget

Appendix 5

	£
Budgeted 2009/10 Net Expenditure	307,515
Out-turn 2009/10 Net Expenditure	229,287
Variance	<u>(78,228)</u>
	Projected Variance (£10,800)
<u>Line 1 General Properties/Estates</u> – The budget for water rates has not been used in earlier years and is not expected to be used this year and is therefore reflected in this forecast favourable variance. The estimated outturn for the repairs and maintenance budget is now £40,000 resulting in a saving of £10,000	
<u>Line 4 – Donations, Grants, Contributions</u> – Assuming that the costs of all other events will be at the budgeted level the forecast spend for events funding has been increased (£12,915) to cover the costs of the memorial service for Flight 84N. This is after taking into account a contribution of £5,000 from the Board of Oil & Gas UK. This has been offset by the estimated outturns for some of the smaller grants have been adjusted resulting in a saving of £5,500 and the outturn for presentation and prizes has been adjusted to reflect a more accurate expenditure level resulting in a saving of £4,500.	£2,915
<u>Line 5 – Civic Administration Unit</u> – The implementation of Equal Pay and Modernisation has resulted in an increase in the outturn of £6,585 but savings due to staff vacancies of £11,793 have offset this resulting in an overall saving of £5,208.	(£5,208)
<u>Line 6 – Receptions</u> – Given that the majority of receptions have now been approved for 2009/10 and final costs processed for the larger events, the estimated outturn figure has been adjusted to reflect a more accurate expenditure figure.	(£30,000)
<u>Line 10 - Misc. Civic Hospitality</u> – The promotional civic hospitality budget has been adjusted to reflect expenditure levels during the year.	(£5,000)
<u>Line 12 – Upkeep of the Civic Car</u> – The outcome of job evaluation has resulted in an increase in salary costs.	£4,615
<u>Line 17 – Other Recurring Expenditure</u> – the estimated outturn for the Lord Lieutenancy budget has been reduced as there have been fewer events required this year.	(£4,750)
<u>Line 24 – Energising Aberdeen Music Festival</u> – The music festival did not take place this year resulting in a saving of £30,000.	(£30,000)
Favourable Movement/Variance	<u>(£78,228)</u>

COMMON GOOD BUDGET

Appendix 6

VARIANCES 2010/11 BUDGET TO 2009/10 BUDGET - RECURRING ITEMS

	£
BUDGET 2009/10 (SURPLUS)/DEFICIT	355,515
BUDGET 2010/11 (SURPLUS)/DEFICIT	238,817
VARIANCE	<u>(116,698)</u>

		VARIANCES		
EXPENDITURE	£	£		COMMENTS
Line				
1. General Properties/Estates				
Water Rates	(800)			Water Rates budget no longer required.
Repairs and Maintenance	<u>(26,000)</u>	(26,800)		Repairs budget has been reduced to more accurately reflect actual expenditure.
2. Miscellaneous Expenses				
Official Catering	(1,000)			Reduction in budget to reflect actual usage.
Green Market	(2,500)			Expenditure removed as no longer required.
Printing, Advertising and Sundry Outlays, etc.	<u>(1,000)</u>			Increase in budget to allow for repairs to Civic Chain.
			(4,500)	
4. Donations, Grants, Contributions				
Various small grants	(6,300)			Removal/reduction of grants as they have not been used for several
Presentations and Prizes	<u>(4,000)</u>			Reduction in budget to reflect actual usage.
			(10,300)	
5. Civic Administration Unit			2,876	Increases in staff costs due to EP&M. Increase of £7,500 to more accurately reflect current central support charges, off set by staff savings

VARIANCES			
EXPENDITURE	£	£	COMMENTS
Line			
6. Receptions etc		(35,000)	Removal of one off increase for European Curling Championships (£25,000) . Decrease in receptions budget of £10,000.
10. Misc Civic Hospitality Expenditure		(2,700)	Reduction in the Visitors/Groups to Town House budget to more accurately reflect current expenditure. Two small budgets removed as not used in recent years.
12. Upkeep of Civic Car (including lease costs)		(40)	
14. Archivist Unit		(28,029)	A review of this budget has identified areas of expenditure where costs could reduce in the future so the budget has been adjusted for this.
15. Christmas Illuminations and Festival		(15,000)	An increase of £3,000 for the recurring costs of the nativity scene offset by a decrease of £18,000 for the Christmas lights to more accurately reflect expenditure.
16. Contributions to Trusts and Festivals		(35,000)	Decrease in expenditure within the Festivals/Trusts budget means the contribution from the Common Good can decrease.
17. Other Projects		96	
18. Other Recurring Expenditure		(2,000)	Reduction in the Lieutenancy budget to more reflect actual expenditure.
INCOME			
19. Income from Properties and Estates		(117,301)	Increased income expected following rent reviews.
20. Interest on Invested Funds		147,000	Reflects the likely interest rates to be in force over the coming year.
22. Miscellaneous Income		10,000	Decrease in income as Lands of Skene/Torry surplus will be affected by declining interest rates.
		<u>(116,698)</u>	

**COMMON GOOD BUDGET 20010/11
ITEMS REFERRED TO THE BUDGET PROCESS**

Appendix 7

Aberdeen Citizen's Advice Bureau

After consultation with Council officers Aberdeen Citizen's Advice Bureau (ACAB) restricted their request for an increase in funding to £5,125 to meet a 1.9% increase in staffing costs. A proposal has been made that a 5% cut be applied to the funding provided during 2009/10, in line with the target set for the Council's services which is equivalent to £13,151. The outline budget presented to Committee currently shows the position if the funding level remain unchanged from that provided in 2009/10.

In addition, due to the last two members of staff in ACAB who were members of Aberdeen City Council Superannuation fund leaving, the Bureau's share of the fund deficit has crystallised as a liability and this sum of £43,011 is now due for payment. ACAB are also seeking assistance from the Common Good to meet this cost in full as outlined in **Appendix 9**.

Aberdeen Safer Community Trust

A proposal has been made that a 5% cut be applied to the funding provided during 2009/10, in line with the target set for the Council's services. Attached at **Appendix 10** is an outline from Aberdeen Safer Community Trust of the impact such a reduction in funding equivalent to £2,850 would have on their services. The outline budget presented to Committee currently shows the position if the funding level remain unchanged from that provided in 2009/10.

St. Nicholas Carillon

A proposal has been made regarding this which is discussed in **Appendix 11** which has been issued separately. The outline budget presented to Committee currently shows the position if the funding level remain unchanged from that provided in 2009/10.

Gomel Trust

The Gomel Trust has requested the reinstatement of its annual grant for the £10,000. To assist with a decision being arrived at details of estimated reserves at 31 March 2010 and committed expenditure for 2010/11 have been provided at **Appendix 12**. This shows reserves of £20,918 at 31 March 2010 all of which is committed to projects in the next financial year. Therefore if the grant funding of £10,000 is not reinstated some projects would have to be cancelled. This could include the school exchange between Kincorth Academy and Gomel for which the pupils raise all the necessary funds except for the flight costs of the teachers accompanying them. The outline budget presented to Committee currently shows the position if the funding was not approved.

The Charity Shop

A request has been received for one off additional funding to enable essential repairs to be carried out on the charity shop costing £15,000. The following outline report for the reasons for this request has been prepared by Lynne Dawson, Technical Officer. It should be noted that on average the shop is used 48 weeks of the year. The outline budget presented to Committee currently shows the position if the funding level remain unchanged from that provided in 2009/10.

Charity Shop Outline Report:-

The annual budget for the Charity Shop is £13,000 and once all the bills for the day to day running have been deducted we are usually left with between £2,500 and £3,000 which has been returned into the Common Good fund for spending on other projects. The last refurbishment works undertaken at the above property was in Summer 2003, as I understand it a new carpet was fitted and the walls were painted.

The reason for asking for additional funding is that we were approached by Councillor Neil Fletcher regarding the state of the shop and he requested that we look at carrying out some works. We would like to make the shop as low maintenance as possible, due to the purpose of the shop to help charities raise money for their individual causes we only propose basic cosmetic works: -

- Frame up the block walls within the main shop and plasterboard them, we would like to introduce a suspended ceiling and square light fittings. We are hoping that undertaking these two jobs will help to make the property more energy efficient. At present the ceiling is very high therefore all the heat is not benefit the charity shop workers. I feel that these two jobs will be of a big benefit to the occupiers.

- I would also propose to remove all the carpets; Carpeted shops are not a good idea when dealing with a high volume of foot traffic. We would like to install commercial linoleum which can be easily swept/mopped cleaned. I know from dealing with the occupier that time and again the Hoover lets us down possibly due to high usage.
- The kitchen needs to be replaced, as there is very little room and it would be nice for a small worktop space for the occupiers to be able to prepare a hot drink, wash up and store their mugs safely. Finally we would like to paint throughout to freshen it up.

We have had estimates in the past however depending on when these works gets done the figures which we provide can only be an estimate however a figure of £15,000 is proposed to complete all of the above.

I have been advised from property repairs department that doing the above works in smaller jobs will not only be more problematic (arranging for times when the shop is empty which will severely disrupt the operating of the shop), it will also be a more costly method.

COMMON GOOD
DRAFT REVENUE BUDGET - 2010/11, 2011/12, 2012/13

RECURRING EXPENDITURE

	BUDGET 2010/11 £s	BUDGET 2011/12 £s	BUDGET 2012/13 £s
1 General Properties/Estates	25,800	25,800	25,800
2 Miscellaneous Expenses	29,528	29,528	28,528
3 Central Support Services	141,834	141,834	141,834
4 Donations, Grants, Contributions	670,225	670,225	670,225
<u>Civic Hospitality</u>			
5 Civic Administration Unit	293,615	293,615	293,615
6 Receptions, etc	165,000	165,000	165,000
7 Entertainment for Elderly/Disabled Citizens	195,000	195,000	195,000
8 Older Persons Development Officer	17,410	17,410	17,410
9 Hospitality for Community Centres	4,000	4,000	4,000
10 Misc Civic Hospitality expenditure	23,000	23,000	23,000
11 Sub-Total Civic Hospitality	698,025	698,025	698,025
12 Upkeep of Civic Car	51,292	51,292	51,292
13 Funding - Twinning Activities	137,352	137,352	137,352
14 Archivist Section	181,476	181,476	181,476
15 Christmas Illuminations and Festivities	213,000	213,000	213,000
16 Contributions to Trusts & Festivals	325,000	325,000	325,000
17 Other Projects	85,876	85,876	85,876
18 Other recurring Expenditure	40,250	40,250	40,250
19 Sub-Total Recurring Expenditure	2,599,658	2,599,658	2,598,658

RECURRING INCOME

	BUDGET 2010/11 £	BUDGET 2011/12 £	BUDGET 2012/13 £
20 Rent of Properties, Feu Duties etc.	(2,246,691)	(2,321,028)	(2,355,870)
21 Interest on Invested Funds	(54,000)	(100,000)	(116,000)
22 Miscellaneous Income	(60,150)	(60,150)	(60,150)
23 Total Recurring Income	(2,360,841)	(2,481,178)	(2,532,020)
24 Budgeted (Surplus)/Deficit on recurring items	238,817	118,480	66,638

	BUDGET 2010/11	BUDGET 2011/12	BUDGET 2012/13
NON RECURRING ITEMS			
25 "Energising Aberdeen" Music Event	-	30,000	-
26 Lord Provost Portrait	-	10,000	-
27 Gordon Highlanders Statue	125,000		
28 Sub-Total Non-Recurring Items	125,000	40,000	-
29 Budget Deficit after Non Recurring Items	363,817	158,480	66,638
30 Cash Balances at 1 April	(5,318,713)	(4,954,896)	(4,796,416)
31 Estimated Cash Balances as at 31 March	(4,954,896)	(4,796,416)	(4,729,778)
Cash Balance required to maintain value using C.P.I.	5,065,270	5,085,531	5,085,531
Adjustment for Greenfern Development	470,873	472,756	472,756
Adjusted Cash Balance Required	4,594,397	4,612,775	4,612,775

The above reflects the indicative position to 31 March 2013, on the assumption that there is no growth in any areas of expenditure year on year including staff costs. If staff costs were to increase by 1% each year then the additional costs would be in the region of £60,000 in 2010/11, £120,000 2011/12, and £180,000 2012/13.

Our Ref:

Aberdeen Citizens Advice Bureau
41 Union Street, Aberdeen AB11 5BN

22 January 2010

Mr Hugh Coleman
Finance Manager
Office of City Chamberlain
Aberdeen City Council
3rd Floor, Town House
Broad Street
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Email: inquiries@abercitadvice.org.uk



Dear Mr Coleman

Further to my telephone conversations with yourself and Carole Jackson, Trading Standards & Commercial Premises Manager we would ask you to accept this letter in support of our request for funding from the Common Good fund for £43,011 to meet the invoice from Aberdeen City Council Superannuation Fund for additional pensions contributions.

Aberdeen Citizens Advice Bureau withdrew from the scheme when, of the two final members, one retired and the other left our employment in May 2008.

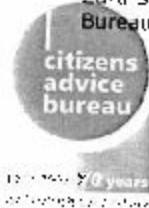
The salaries for both of these staff members were paid with money from the cure grant received from Aberdeen City Council's Common Good Fund. If the Bureau directors had been aware that additional contributions were required, these would have been included in our annual applications for funding.

Given that had they known that this money would have been required when the Bureau was still a member of the Council's superannuation scheme, the directors would have included the sums in the annual grant application to The Council, they now request that the sum of £43,011 be included in our application for the forthcoming year or alternatively that it be paid out over several years.

For the bureau to have to pay this money to Aberdeen City Council's Superannuation Fund from our future funding will substantially reduce the service that we are able to offer to the citizens of the City of Aberdeen, particularly if, as indicated by yourself and Carole Jackson the council are recommending a reduction in our core funding and the removal of specialist money advice funding.

Yours sincerely

Zara Strange
Bureau Manager



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Branch: Aberdeen
Sort Code: 200000
Account No: 10000000000000000000





APPENDIX 10



Wednesday, 13 January 2010

Mr Hugh Coleman
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ABERDEEN
AB10 1AH

central
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Dear Hugh

Following our recent telephone conversation regarding a proposed cut in the funding available from the Common Good Fund; I am writing to describe the effect this would have on our organisation.

The funding received from the Common Good Fund is essential to our main administration. The projects and grants that we provide as the Trust are to the benefit of all residents and workers within Aberdeen; helping to keep them safe and feel secure. Our grants and projects improve safety and the quality of life for local people, saving money from the public purse.

Less funding would mean a reduction in the number and quality of services we offer and a restriction in promoting them to the groups most in need in our communities. This would be due to staff time having to be cut to fit with the proposed reduction in funding for our administration cuts. Specifically:

Neighbourhood Watch administration - The trust supports and develops Neighbourhood Watch schemes within Aberdeen and has increased the number of active watches in the city, assisting Grampian Police in the recent reduction in housebreaking. The service has also won an award from the Association of Scottish Neighbourhood Watches. However, despite the fact that Aberdeen City has the highest rate of domestic housebreaking per head of population in Scotland, funding from the Community Safety Partnership has been cut with the expectation that the Trust will be able to absorb the costs. If further core funding is reduced this will not be possible and the service will end.

Home Accident Reduction - Aberdeen City Community Health Partnership currently has the highest rate of child accidents and accidents to the over 60s than any other CHP in Scotland. Our target in the coming year is to further develop our Home Safety service, helping to tackle this problem and streamline the services currently offered by both the City Council and Grampian Fire & Rescue service, as well as secure additional funding that is not available to public bodies. This will also enable us to provide additional support to



Aberdeen Safer Community Trust Ltd is a recognised charity and company limited by guarantee registered in Scotland.
Charity number: SC046649; Company number: 533693
Registered office: Room SUG5, Aberdeen College, Gallovgate, Aberdeen, AB25 1AH

CITY CARILLON

Issued Separately

Gomel Trust

Appendix 12

	£	£
Estimated Reserves at 31 March 2010		20,918
Add Investment Interest		150
Less		
Annual Recurring Costs		1,730
<u>Approved Project Funding</u>		
Choir Visit to Gomel	2,000	
Home Start Project	9,000	
Medical Students Visit	2,000	
ENT Visit	2,000	
"Children's Diabetes Mellitus" NGO	1,000	
Soroptomist Visit	2,000	
Telemedicine Visit	<u>3,000</u>	21,000
<u>Proposed Project Expenditure</u>		
Schools Exchange Visit	2,000	
Tullos Training project	<u>4,055</u>	6,055
		<u><u>-7,717</u></u>