

ABERDEEN CITY COUNCIL

COMMITTEE: Finance and Resources

DATE: 11th March 2010

REPORT BY: City Chamberlain

TITLE OF REPORT: 2009/2010 Common Good Budget – Monitoring Report Update

REPORT NUMBER: CG/10/045

1. PURPOSE OF REPORT

This report provides the actual expenditure and income for the year to 31 January 2010 and an updated out turn for the year, comparing this with the approved budget.

2. RECOMMENDATION(S)

It is recommended that the Committee

- a) Notes the position as at 31 January 2010 and the updated favourable estimated out-turn for the Common Good; and
- b) Notes the estimated cash balances of the Common Good as at 31 March 2010 of £5.367 million based on this current forecast.

3. FINANCIAL IMPLICATIONS

The out-turn position will effect the level of working balances. The Council has previously adopted an underlying principle that these balances should be no less than £4.544 million as at 31 March 2010. The current projected balance is £5.367 million based on the information contained within this report.

4. SERVICE & COMMUNITY IMPACT

The management of the Common Good contributes towards the most efficient and effective use of the Council's funds.

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

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.

6. REPORT

Spend to Date (as at 31 January 2010) and Updated Estimated Out-turn

- 6.1 The approved budget for the Common Good for 2009/10 is given at Appendix 1. The estimated outturn for the year to 31 March 2010 is net expenditure of £180,757, which favourably compares to a budget of £307,515 and the previously reported out-turn of £289,037.
- 6.2 The favourable movement of £126,758 comparing budget to out-turn and the favourable movement of £108,280 due to the change in out-turns, are due in the main to the following: -

	Projected Variance	Change
<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	(£10,800)	(£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 further saving of £4,500.	£2,915	(£10,000)
<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 and a reduction in administration costs of £31,713 have offset this resulting in an overall saving of £25,128.	(£25,128)	(£19,920)
<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)	(£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)	(£5,000)

	Projected Variance	Change
<u>Line 12 – Upkeep of the Civic Car</u> – The outcome of job evaluation has resulted in an increase in salary costs but this has been reduced by a saving in the strain on the fund costs..	£1,790	(£2,825)
<u>Line 14 – Archivist Unit</u> – Savings due to staff vacancies and close monitoring of supplies and services have led to a reduction in the estimated outturn of £25,785	(£25,785)	(£25,785)
<u>Line 17 – Other Recurring Expenditure</u> – the estimated outturn for the Lord Lieutenantcy budget has been reduced as there have been fewer events required this year.	(£4,750)	(£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>(£126,758)</u>	<u>(£108,280)</u>

- 6.3 Further supporting details can be found at Appendices 2, 3 and 4 in relation to analysis of Miscellaneous and General Income and Expenditure (Appendix 2), Donations, Grants, Contributions etc (Appendix 3) and Other Projects (Appendix 4).

Cash Balances


- 6.4 Taking account of the above, and the current forecast cost of £180,757, the working balances as at 31 March 2010 would be £5.367 million as follows: -

	£'000s
Cash balance as per audited accounts 2008/09	5,998
Less commitment for Greenfern Development Site	450
Cash balance available for use	<u>5,548</u>
Less:	
Projected Out-turn	181
Projected Cash Balance as at 31 March 2010	<u>5,367</u>

- 6.5 The Council has previously adopted an underlying principle that these balances should be no less than £4.544 million, after adjusting for the Greenfern Development Site, as at 31 March 2010 utilising the Consumer Price Index (CPI) as a basis for calculating indicative cash balances.
- 6.6 As trustee's of the Common Good, the Council has a duty to ensure that cash balances are maintained at such levels as they generate annual income, earned from the investment of the balance to fund the expenditure met from the Common Good.

7. AUTHORISED SIGNATURE


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8. REPORT AUTHOR DETAILS

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9. BACKGROUND PAPERS

None.

RECURRING EXPENDITURE

	BUDGET 2009/10 £s	ACTUAL TO 31st JANUARY 2009/10 £s	ESTIMATED OUT-TURN 2009/10 £s
1 General Properties/Estates	52,600	26,983	41,800 Appendix 2
2 Other Expenses	34,028	12,705	34,028 Appendix 2
3 Administration Costs	141,834	15,915	141,834 Note 1
4 Donations, Grants, Contributions	680,525	499,578	683,440 Note 2/Appendix 3
Civic Hospitality			
5 Civic Administration Unit	290,739	172,995	265,611
6 Receptions, etc	200,000	115,269	170,000
7 Entertainment for Elderly/Disabled Citizens	195,000	-	195,000 Note 1
8 Older Persons Development Officer	17,410	-	17,410 Note 1
9 Hospitality for Children and Community Centres	4,000	-	4,000 Note 1
10 Misc. Civic Hospitality Expenditure	25,700	7,999	20,700 Appendix 2
11 Sub-Total Civic Hospitality	732,849	296,262	672,721
12 Upkeep of Civic Car	51,332	36,205	53,122 Appendix 2
13 Funding - Twinning Activities	137,352	-	137,352 Note 1
14 Archivist Unit	209,505	88,834	183,720
15 Christmas Illuminations and Festivals	228,000	2,290	228,000 Note 1
16 Support for Festivals	360,000	-	360,000
16 Other Projects	85,780	1,496	85,780 Note 1/Appendix 4
17 Other Recurring Expenditure	42,250	21,253	37,500 Appendix 2
18 Sub-Total Recurring Expenditure	2,756,055	1,001,522	2,659,297

RECURRING INCOME

	BUDGET 2009/10 £s	ACTUAL TO 31st JANUARY 2009/10 £s	ESTIMATED OUT-TURN 2009/10 £s
19 Income from Properties and Estates	(2,129,390)	(2,117,041)	(2,129,390)
20 Interest on Invested Funds	(201,000)	(207,654)	(201,000)
21 Miscellaneous Income	(70,150)	(131)	(70,150) Appendix 2
22 Total Recurring Income	(2,400,540)	(2,324,826)	(2,400,540)
23 Budgeted (surplus)/deficit on recurring items	355,515	(1,323,305)	258,757

NON-RECURRING ITEMS

	BUDGET 2009/10 £s	ACTUAL TO 31st JANUARY 2009/10 £s	ESTIMATED OUT-TURN 2009/10 £s
<u>Non Recurring Expenditure Items</u>			
24 Energising Aberdeen Music Festival	30,000	-	-
25 Artists Rooms - Ron Meuk	10,000	-	10,000
26 Nativity Scene purchase	2,000	-	2,000
<u>Non Recurring Income</u>			
27 Sale of Land at Overhills Farm	(90,000)	(90,000)	(90,000)
28 Sub-Total Non-Recurring Items	-48,000	(90,000)	(78,000)
29 Budget Deficit after Non-Recurring Items	307,515	(1,413,305)	180,757
30 Cash Balances as at 1 April	(5,548,000)		(5,548,000)
31 Estimated Cash Balances as at 31 March	(5,240,485)		(5,367,243)
32 Indicative Cash Balance	(5,010,158)		(5,010,158) Note 3
33 Adjustment for Greenfern Development Site	465,750		465,750
34 Revised Cash Balance to maintain value using CPI	(4,544,408)		(4,544,408)

EXPLANATORY NOTES

Note 1

Although there is no "spend to date", the expenditure for these items is committed and consists of year end transfers made as part of the preparation of the final accounts. It is expected that final expenditure for these items will be close to budget and estimated out-turn. Other items with no "spend to date" showing at present will incur expenditure as the year progresses.

Note 2

The timing of payments under this heading varies from organisation to organisation. Some receive the full sum at the start of the year, some are paid in stages over the year, and other expenditure is only met at the year end. The actual spend to date is shown in Appendix 3.

Note 3

Indicative cash balance using CPI

Reconciliation of Revised Budget to Budget Approved 12 February 2009

<u>Decision</u>	<u>Committee</u>	<u>£000s</u>
Approval of Budget	RMC 12.02.09	382,515
Sale of Land at Overhills Farm	RMC 10.03.09	(90,000)
Artists Rooms - Ron Meuk	RMC 16.06.09	10,000
Nativity Scene - recurring & non recurring	EP&I 27.10.09	5,000
Revised Budget		307,515

RMC - Resources Management Committee

EP&I - Enterprise, Planning & Infrastructure

Appendix 2

**ANALYSIS OF OTHER EXPENSES
INCOME & EXPENDITURE HEADINGS**

	BUDGET 2009/10 £s	ACTUAL TO 31st JANUARY 2009/10 £s	ESTIMATED OUT-TURN 2009/10 £s
<u>General Properties/Estates</u>			
Rates and Insurance	2,600	2,327	1,800
Repairs and Maintenance	50,000	24,656	40,000
Sub-Total General Properties/Estates	52,600	26,983	41,800
<u>Miscellaneous expenditure</u>			
Green Market - Staff Costs, Advertising, etc.	2,500	2,405	2,500 Note 1
St. Nicholas Carillon	5,928	-	5,928 Note 1
Printing, Advertising and Sundry Outlays, etc.	7,600	2,003	7,600
Official Catering	18,000	8,298	18,000
Sub Total Miscellaneous expenditure	34,028	12,705	34,028
<u>Civic Hospitality</u>			
Promotional Civic Hospitality	8,000	3,014	3,000
Hospitality to Visitors/Groups to the Town House	17,000	4,985	17,000
Charges for Conferences/complimentary Packs & Tickets	200	-	200
Table Ware	500	-	500
Total Misc. Civic Hosp.	25,700	7,999	20,700
<u>Other recurring Expenditure</u>			
Lord Provost's Gift Fund	18,000	16,039	18,000
Lord Provost - Lord Lieutenancy and other duties	8,750	2,513	4,000
Display of Flags and Regimental Colours and Armistice Day Expenses	5,500	2,700	5,500
Picture Loan Scheme	10,000	-	10,000 Note 1
Total Other recurring Expenditure	42,250	21,253	37,500
<u>Misc. Income</u>			
Lands of Skene/Torry - Share of Surplus	(70,000)	-	(70,000) Note 1
Burgesses of Guild and Trade	(150)	(131)	(150)
Total Misc. Income	(70,150)	(131)	(70,150)

Note 1 - the bulk of the expenditure/income is settled as part of the year end procedures

4. DONATIONS, GRANTS, CONTRIBUTIONS, ETC.

	BUDGET 2009/10 £s	ACTUAL TO 31st JANUARY 2009/10 £s	ESTIMATED OUT-TURN 2009/10 £s	
Aberdeen Citizen's Advice Bureau	263,025	263,025	263,025	
Techfest	36,500	36,500	36,500	
Satrosphere	35,000	26,250	35,000	
Bulawayo Trust	50,000	50,000	50,000	
Gomel Trust	-	-	-	
North Sea Society	2,500	-	-	Note 1
Young Person of the Year Award	1,500	-	-	Note 1
Equal Opportunities Award	1,500	-	-	Note 1
Mary Garden Prize	1,500	1,500	1,500	Note 1
Presentations Prizes Etc.	5,000	225	500	
Quincentenary Prizes Etc.	4,000	3,163	4,000	
Stage 1 Agreement				
Aberdeen Performing Arts Contribution	75,000	-	75,000	Note 1
Aberdeen Safer Community Trust	57,000	57,000	57,000	
Youth Activities small grant funding	50,000	-	50,000	Note 1
Castlegate Arts Rent Grant	8,000	8,000	8,000	
Events Funding	50,000	53,915	62,915	
Lemon Tree Rent	40,000		40,000	
Sub Total	<u>680,525</u>	<u>499,578</u>	<u>683,440</u>	

Note 1 - Expenditure is settled as part of year end procedures and expected to be in line with budgeted figures

COMMON GOOD BUDGET 2009/2010
16. OTHER PROJECTS

Appendix 4

PROJECT	BUDGET 2009/10 £s	ACTUAL TO 31st JANUARY 2009/10 £s	ESTIMATED OUT-TURN 2009/10 £s
Home Safety Check Scheme	71,280	-	71,280 Note 1
Charity Shop	13,000	-	13,000 Note 1
Community Safety Initiatives	1,500	1,496	1,500
	<u>85,780</u>	<u>1,496</u>	<u>85,780</u>

Note 1 - Expenditure is settled as part of year end procedures and expected to be in line with budgeted figures