

COMMITTEE	Council
DATE	6 March 2018
REPORT TITLE	Common Good Budget 2018/19
REPORT NUMBER	CG/18/031
DIRECTOR	Steven Whyte, Director of Resources
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1. PURPOSE OF REPORT:-

- 1.1 The purpose of this report is to provide Council with details of the draft Common Good budget for 2018/19 for consideration by elected members.

2. RECOMMENDATION(S)

- 2.1 It is recommended that Council:

- a) Approve the Common Good budget for 2018/19 as detailed in Appendix 1 existing projects and services to this report;
- b) Consider and make a decision on each of the new requests for funding detailed in Appendix 3 to this report;
- c) Note the provisional Common Good budget for 2019/20 to 2022/23 as detailed in Appendix 1 to this report;
- d) Note that an initial asset register has been prepared and that work will continue to be undertaken to comprehensively review Common Good assets; and
- e) Note the intention to review the process for dealing with applications to the Common Good Fund from 2019/20.

3. BACKGROUND/MAIN ISSUES

Projected Out-turn 2017/18

- 3.1 The projected outturn for 2017/18 shows a surplus of £119,000 compared with a budgeted surplus of £56,000.
- 3.2 This favourable movement of £63,000 is primarily due to an underspend in Twinning Activities resulting from a vacant Twinning Officer post and lower Service Support Charges reflecting current spend. These are offset by costs arising from the approval of additional funding requests during the year.

Draft Budget 2018/19

- 3.3 In developing the draft Common Good budget for 2018/19, 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. The draft budget is shown in Appendix 1 (details services and projects currently funded).
- 3.4 Rental income is based on projections provided by the Asset Management team within Communities, Housing & Infrastructure.
- 3.5 Appendix 3 outlines those new items for which requests for funding have been received. These items are not currently included in the draft budget, and as such, if approved, will reduce the level of surplus shown in Appendix 1. The current budgeted position for 2018/19 is a surplus of £592,000.
- 3.6 The asset portfolio is comprised of land and buildings, and cash. The current position (31 March 2017) is as follows:

	£'000
Land and Buildings	89,046
Investment in Loans Fund	<u>21,918</u>
Total Long Term Assets	110,964

- 3.7 These assets generate in excess of £3 million per annum in income, which is used to fund the spend shown in Appendix 1.
- 3.8 A major criterion of the investment strategy must be to ensure that the assets held by the Common Good are fit for purpose in the 21st century. The Council is custodian of these assets, and capital preservation should be the main priority.
- 3.9 An investment strategy needs to assess each of the categories of assets and ensure that they are fit for purpose and offering the best possible return on investment.
- 3.10 An initial asset register of all Common Good investments has been compiled in 2017/18, work will be undertaken in 2018/19 to ensure this is comprehensive.
- 3.11 A working group has been developed to review the Common Good, work has included reviewing the application process for funding bids. A potential new process is being developed and will be reported to a future committee for approval during 2018/19.

4. FINANCIAL IMPLICATIONS

- 4.1 The report outlines proposals for the Common Good budget for the financial year 2018/19.

- 4.2 It also contains details of the value of the Common Good's cash balances.
- 4.3 In preparing a draft Common Good budget for 2018/19, the financial strategy approved by the Finance & Resources Committee of 6 December 2012 has been applied.

5. LEGAL IMPLICATIONS

- 5.1 All requests for funding from the Common Good need to comply with the following two criteria, namely:
- (1) That the Common Good must be applied for the benefit of the community; and
 - (2) That the Council must in each case use reasonable judgement in allocating Common Good funding.

6. MANAGEMENT OF RISK

Financial

- 6.1 Every organisation has to manage the financial risks inherent in the operation of large and complex budgets. These risks are minimised by the regular review of financial information by services and corporately by Elected Members.
- 6.2 The 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.

Other

- 6.3 Consideration has also been given to Employee, Customer/Citizen, Environmental, Technological and Legal risks, and no significant risks were identified.

Reputational

- 6.4 The reputational risks to the Council are minimised by the regular review of financial information by services, CMT and Elected members throughout the Financial Year.

7. IMPACT SECTION

Economy

- 7.1 Funding services and projects within the city will have a positive impact on the economy.

People

- 7.2 Robust management of the council's finances will ensure that services and projects can continue to be provided.

Place

- 7.3 Funding will enhance the place by creating a better and more vibrant city in which to live.

Technology

- 7.4 There are no direct implications on technology arising from the recommendations of this report

8. BACKGROUND PAPERS

Finance, Policy and Resources Committee 6th December 2012 (CG12/1024)

9. APPENDICES (if applicable)

Appendix 1 Common Good Fund Budget
Appendix 2 Notes to accompany the Common Good Budget
Appendix 3 Items for Consideration for 2018/19 – One off items

10. REPORT AUTHOR DETAILS

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Common Good Fund Budget			*	*	*	*	*	
Appendix 1		2017/18	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Note		Budget	Outturn	Budget	Budget	Budget	Budget	Budget
		£000	£000	£000	£000	£000	£000	£000
	General Properties/Estates							
1	Insurance Costs	17	17	17	17	17	17	17
2	Repairs and Maintenance	85	85	85	85	85	85	85
		102	102	102	102	102	102	102
	Other Expenses							
3	St Nicholas Carillon	6	6	6	6	6	6	6
		6	6	6	6	6	6	6
	Donations, Grants, Contributions							
4	Aberdeen Citizen's Advice Bureau	301	301	304	307	310	313	317
5	Twinning Activities	137	56	137	137	137	137	137
6	Contributions to Trusts & Festivals	325	325	325	325	325	325	325
7	Techfest	37	37	37	37	37	37	37
8	Satrosphere Rent	42	42	42	42	42	42	42
9	Aberdeen Performing Arts Contribution - Stage 1 Agreement	75	75	75	75	75	75	75
10	Aberdeen Safer Community Trust (ABS SAFE)	68	68	70	70	70	70	70
11	Youth Activities Small Grant Funding	50	50	50	50	50	50	50
12	Castlegate Arts Rent	8	8	8	8	8	8	8
13	Events	65	65	60	60	60	60	60
14	Community Galas	10	10	10	10	10	10	10
15	Lemon Tree Rent	36	36	36	36	36	36	36
16	Lemon Tree Office Rental	10	10	10	10	10	10	10
17	Crematorium Bus	46	46	46	46	46	46	46
18	Christmas & Hogmanay Celebrations	225	225	230	230	230	230	230
19	Hazlehead Park - Maintenance & Upgrade Works	30	30	30	0	0	0	0
		1,465	1,384	1,470	1,443	1,447	1,450	1,453
	Promoting Aberdeen							
20	Festive Community Grants	4	4	4	4	4	4	4
21	Civic Support	262	185	181	181	181	181	181
22	Christmas Illuminations and Festivals	184	184	179	179	179	179	179
23	Civic Receptions	150	150	150	150	150	150	150
24	Civic Hospitality	20	20	20	20	20	20	20
		620	543	534	534	534	534	534
	Other Expenditure							
25	Archivist Unit	211	172	203	203	203	203	203
26	Central Support Services	120	90	120	120	120	120	120
		331	262	323	323	323	323	323
	Other Projects							
27	Home Safety Check Scheme	71	71	71	71	71	71	71
28	Charity Shop	16	16	16	16	16	16	16
29	Community Safety Initiatives (ABS SAFE)	2	2	2	2	2	2	2
		89	89	89	89	89	89	89
	Other Recurring Expenditure							
30	Civic Gift Fund	18	18	18	18	18	18	18
31	Lord Lieutenancy and other duties	7	7	7	7	7	7	7
32	Armistice Day Expenses	6	6	6	6	6	6	6
33	Picture Loan Scheme	15	15	15	15	15	15	15
34	Duthie Park Capital Charges	126	126	126	126	126	126	126
		171	171	171	172	172	172	172
	Recurring Expenditure	2,783	2,557	2,695	2,670	2,673	2,676	2,679
35	Non Recurring Expenditure Items							
	Lord Provost Portrait	5	5	0	0	0	0	0
	Contribution towards Rob Roy Statue up to	30	30	0	0	0	0	0
	Befriend A Child Support Worker	5	5	0	0	0	0	0
	Aberdeen & North East Scotland Family History Society - Broad	7	7	0	0	0	0	0
	RNLI - Contribution towards new inshore lifeboat up to	5	5	0	0	0	0	0
	Aberdeen Illness & Disability Advice Service - payment of rent &	18	18	0	0	0	0	0
	Aberdeen Performing Arts - replacement lift at HMT up to	80	80	0	0	0	0	0
	Homestart - contribution to rent of the charity shop	5	5	0	0	0	0	0
	Contribution to Castlegate Arts	40	40	0	0	0	0	0
	Grant to Aberdeen International Youth Festival	20	20	0	0	0	0	0
	AFC Community Trust	50	50	0	0	0	0	0
	Host events for the elderly	50	50	0	0	0	0	0
	Additional Citizen's Advice Bureau - Money Advice Service	41	41	0	0	0	0	0
	Torry and Kincorth Academies - Year of events celebrating the							
	history of the schools	40	40	0	0	0	0	0
	Cricket Pitch at Stewart Park	15	15	0	0	0	0	0
	Refurbishment of Scout Hut/Mens Shed at Culter	10	10	0	0	0	0	0
	Freedom of the City	0	56	0	0	0	0	0
	Celebrate Aberdeen	0	20	0	0	0	0	0
	Aberdeen Street Pastors	0	5	0	0	0	0	0
	Friends of Victoria & Westburn Park	0	7	0	0	0	0	0
	Music Hall Cleaning Costs	0	75	0	0	0	0	0
		421	584	0	0	0	0	0
	ORDINARY EXPENDITURE	3,204	3,140	2,695	2,670	2,673	2,676	2,679
36	Inflationary Charge - Increase in Cash Balance	168	168	168	169	175	182	190
	TOTAL EXPENDITURE	3,372	3,308	2,863	2,838	2,848	2,858	2,869

Common Good Fund Budget			*	*	*	*	*	
Appendix 1 (cont)		2017/18	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Note		Budget	Outturn	Budget	Budget	Budget	Budget	Budget
		£000	£000	£000	£000	£000	£000	£000
37	Income from Properties and Estates	(3,200)	(3,200)	(3,200)	(3,200)	(3,200)	(3,200)	(3,200)
38	Interest on Invested Funds	(158)	(158)	(185)	(230)	(275)	(321)	(367)
39	Lands of Skene/Torry (Share of Surplus)	(70)	(70)	(70)	(70)	(70)	(70)	(70)
40	Burgesses of Guild and Trade	(0)	(0)	(0)	(0)	(0)	(0)	(0)
	ORDINARY INCOME	(3,428)	(3,428)	(3,455)	(3,500)	(3,545)	(3,591)	(3,637)
	TOTAL INCOME	(3,428)	(3,428)	(3,455)	(3,500)	(3,545)	(3,591)	(3,637)
	Net (Surplus)/Deficit	(56)	(120)	(592)	(662)	(697)	(733)	(768)
*	These figures are shown for illustrative purposes only							

Appendix 2

Notes to accompany the 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 represents core funding for Aberdeen Citizen's Advice Bureau. The increase represents a 1% inflationary increase.

Note 5

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 6

This is a contribution towards the costs of Aberdeen International Youth Festival (£65,000), Aberdeen Performing Arts (£225,000) and Peacock Visual Arts (£35,000).

Note 7

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 8

This is a grant to cover the cost of Satrosphere's rental of premises from Aberdeen City Council.

Note 9

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 10

This represents core funding for Aberdeen Safer Community Trust.

Note 11

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 12

This is a grant to cover the cost of the rental of the Arts Centre.

Note 13

This is funding towards the costs of organising specific events as detailed in the events programme.

Note 14

This is for grants towards community galas held in the city.

Note 15

This is a grant to cover the cost of the rental of the Lemon Tree.

Note 16

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

Note 17

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

Note 18

This is to fund the City's Christmas and Hogmanay celebrations. The increase is due to the storage of the sculpture trail carvings – approved, subject to the budget process, at F, P&R Committee on 1st December 2017.

Note 19

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

Note 20

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

Note 21

This is a budget for the Civic Support team, incorporating the Lord Provost's secretariat, Town Sergeants and civic transportation. The reduction is due to VS/ER.

Note 22

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

Note 23

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

Note 24

This is a budget for promotional civic hospitality.

Note 25

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

Note 26

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

Note 27

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

Note 28

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

Note 29

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

Note 30

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 31

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

Note 32

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

Note 33

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

Note 34

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

Note 35

These items are one-off items approved by Council for expenditure in 2017/18.

Note 36

This is a provision to protect the Fund's cash balances by inflation.

Note 37

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

Note 38

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

Note 39

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 40

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

Appendix 3	
Items for Consideration for 2018/19 - One off Items	Amount
Gordon Highlanders	£20,000
Grampian Police/Harlaw Academy	£3,000
Aberdeen Illness & Disability Service	£20,000
Aberdeen Citizens Advice Bureau	£41,000
Mela	£22,000
Ferryhill Railway Heritage Trust	£26,105
Cfine - SFCPA Co-ord Post	£25,000
	£157,105

Gordon Highlanders

A request for funding of £20,000 annually for 3 years has been made by the above towards the costs of the Museum Education Officer and a Volunteer Co-ordinator.

Legal Services advises that support towards the proposal does meet the criteria of the Common Good but advises that award should be applied for annually so that it can be assessed at the end of each year, to see that it still benefits the community of Aberdeen, rather than making the grant for 3 years.

Grampian Police/Harlaw Academy

A request for funding of £3,000 has been made by the above towards work to be undertaken by a group of hard to reach school pupils as part of a anti drugs/anti tobacco/early intervention programme that would lead to a video being produced that could be used across the city schools.

Legal Services advises that support towards the proposal does meet the criteria of the Common Good.

Aberdeen Illness and Disability Advice Service

A request for funding of £20,000 has been made by the above towards the costs of office overheads (£14,300) and a part time appeals support worker (£5,700). The Service receives an annual grant of £32,929 from the Fairer Aberdeen Fund but has recently lost the support of commercial sponsors that previously covered the

organisation's office overheads. The Service offers support to clients from Aberdeenshire and Moray as well as those from Aberdeen City.

Legal Services advises that support towards the proposal does meet the criteria of the Common Good.

Aberdeen Citizen's Advice Bureau

A request for funding of £41,000 has been made by the above towards the costs of running the Money Advice Service. The organisation currently receives £301,237 from the Common Good Fund for core funding. This was given as one off funding last year as they tried to getting funding from other sources – this has not been achieved.

Mela

A request for funding of £22,000 has been made by the above towards the costs of hosting Aberdeen Mela-One World day on 28 July 2018. The funding will be used for Infrastructure, Logistics and Community involvement of the event. Legal Services advises that support towards the proposal could meet the criteria of the Common Good.

Ferryhill Railway Heritage Trust

A request for funding of £26,105 has been made by the above towards the costs of footpath works that are subject to planning and a tree survey of £750 (this is included in the figure). Legal Services advises that support towards the proposal could meet the criteria of the Common Good.

Cfine

A request for funding of £25,000 has been made by the above towards the costs of the Sustainable Food City Partnership Aberdeen (SF CPA) Coordinator post. The SF CPA aims for every person in Aberdeen to have access to healthy, tasty, affordable food and to tackle food poverty. The Coordinator role is recognised as being essential in delivering the partnerships agreed mission goals and delivering benefits to everyone in the City. It has also been confirmed that this post is based solely in Aberdeen city and deals only with citizens of Aberdeen. Legal Services advises that support towards the proposal does meet the criteria of the Common Good.