

## ABERDEEN CITY COUNCIL

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**COMMITTEE:** Finance and Resources

**DATE:** 28<sup>th</sup> September 2010

**REPORT BY:** Head of Finance

**TITLE OF REPORT:** 2010/2011 Common Good Budget – Monitoring Report Update

**REPORT NUMBER:** CG/10/154

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### 1. PURPOSE OF REPORT

The purpose of this report is to

- a) Inform the committee of the income and expenditure status of the Common Good for the four months to 31 July 2010 along with the estimated out-turn for the year
- b) Provide an indication on the forecast status of the cash balances.

### 2. RECOMMENDATION(S)

It is recommended that the Committee

- a) Notes the income and expenditure position as at 31 July 2010 and the estimated out-turn for the year; and
- b) Notes the estimated cash balances as at 31 March 2011 of £5.3 million based on projected current forecasts.

### 3. FINANCIAL IMPLICATIONS

The financial implications are detailed in the report at section 6.

### 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 value of the Common Good is preserved in such a way that it continues to be able to support the wide range of artistic and other ventures it presently does, in the long term.

## 5. OTHER IMPLICATIONS

None.

## 6. REPORT

### **Spend to Date (as at 31 July 2010) and Updated Estimated Out-turn**

- 6.1 There has been no change to the estimated out-turn, it remains the same as the budgeted net deficit of £450k. The approved budget for the Common Good for 2010/11 is given at Appendix 1.
- 6.2 Further supporting details can be found at Appendices 2, 3 and 4 in relation to Analysis of Other Expenses Income and Expenditure (Appendix 2), Donations, Grants, Contributions, etc (Appendix 3) and Other Projects (Appendix 4).

### **Cash Balances**


- 6.3 The projected cash balances as at 31 March 2011 is £5.3 million as follows: -

	£M
Cash balance as per unaudited accounts 1 April 2010	6.1
Less:	
Commitment for Greenfern Development Site	0.3
Cash balance available for use	<u>5.8</u>
Less:	
Estimated Out-turn	0.5
Projected Cash Balance as at 31 March 2011	<u>5.3</u>

- 6.5 The Council has previously agreed an underlying principle that the cash balance should be no less than £4.8 million, after adjusting for the Greenfern Development Site, as at 31 March 2011. This utilises the Consumer Price Index (CPI) as a basis for calculating indicative cash balances to ensure that the value of the Fund is not eroded over time.
- 6.6 As trustee of the Common Good, the Council has a duty to ensure that cash balances are maintained at levels to generate sufficient annual income to fund the expenditure 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 2010/11 £s	ACTUAL TO 31st JULY 2010/11 £s	ESTIMATED OUT-TURN 2010/11 £s	
<b>1 General Properties/Estates</b>	<b>25,800</b>	<b>198</b>	<b>25,800</b>	Appendix 2
<b>2 Other Expenses</b>	<b>29,528</b>	<b>(1,231)</b>	<b>29,528</b>	Appendix 2
<b>3 Central Support Services</b>	<b>141,834</b>	-	<b>141,834</b>	Note 1
<b>4 Donations, Grants, Contributions</b>	<b>678,025</b>	<b>224,395</b>	<b>678,025</b>	Note 2/Appendix 3
<b><u>Civic Hospitality</u></b>				
5 Civic Administration Unit	293,615	63,175	293,615	
6 Receptions, etc	165,000	2,825	165,000	
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	23,000	1,084	23,000	Appendix 2
<b>11 Sub-Total Civic Hospitality</b>	<b>698,025</b>	<b>67,084</b>	<b>698,025</b>	
<b>12 Upkeep of Civic Car</b>	<b>51,292</b>	<b>8,846</b>	<b>51,292</b>	Appendix 2
<b>13 Funding - Twinning Activities</b>	<b>137,352</b>	-	<b>137,352</b>	Note 1
<b>14 Archivist Unit</b>	<b>181,476</b>	<b>49,132</b>	<b>181,476</b>	
<b>15 Christmas Illuminations and Festivals</b>	<b>213,000</b>	-	<b>213,000</b>	Note 1
<b>16 Contributions to Trusts &amp; Festivals</b>	<b>325,000</b>	-	<b>325,000</b>	Note 1
<b>17 Other Projects</b>	<b>85,876</b>	-	<b>85,876</b>	Note 1/Appendix 4
<b>18 Other Recurring Expenditure</b>	<b>40,250</b>	<b>4,309</b>	<b>40,250</b>	Appendix 2
<b>19 Sub-Total Recurring Expenditure</b>	<b>2,607,458</b>	<b>352,731</b>	<b>2,607,458</b>	

RECURRING INCOME

	BUDGET 2010/11 £s	ACTUAL TO 31st JULY 2010/11 £s	ESTIMATED OUT-TURN 2010/11 £s	
<b>20 Income from Properties and Estates</b>	<b>(2,246,691)</b>	<b>(1,109,664)</b>	<b>(2,246,691)</b>	
<b>21 Interest on Invested Funds</b>	<b>(54,000)</b>	<b>(1,884)</b>	<b>(54,000)</b>	
<b>22 Miscellaneous Income</b>	<b>(60,150)</b>	<b>(55)</b>	<b>(60,150)</b>	Note 1, Appendix 2
<b>23 Total Recurring Income</b>	<b>(2,360,841)</b>	<b>(1,111,603)</b>	<b>(2,360,841)</b>	
<b>24 Budgeted (surplus)/deficit on recurring items</b>	<b>246,617</b>	<b>(758,872)</b>	<b>246,617</b>	

**NON-RECURRING ITEMS**

	BUDGET 2010/11 £s	ACTUAL TO 31st JULY 2010/11 £s	ESTIMATED OUT-TURN 2010/11 £s
<b><u>Non Recurring Expenditure Items</u></b>			
25 Gordon Highlanders Statue	125,000	-	125,000
26 Charity Shop Refurbishment	15,000	-	15,000
27 Battle of Harlaw	10,000	-	10,000
28 CLAN	55,000	55,000	55,000
<b>29 Sub-Total Non-Recurring Items</b>	<b>205,000</b>	<b>55,000</b>	<b>205,000</b>
<b>30 Budget Deficit after Non-Recurring Items</b>	<b>451,617</b>	<b>(703,872)</b>	<b>451,617</b>
<b>31 Cash Balances as at 1 April</b>	<b>(5,750,722)</b>		<b>(5,750,722)</b>
<b>32 Estimated Cash Balances as at 31 March</b>	<b>(5,299,105)</b>		<b>(5,299,105)</b>
<b>33 Indicative Cash Balance</b>	<b>(5,271,382)</b>		<b>(5,271,382)</b> Note 3
<b>34 Adjustment for Greenfern Development Site</b>	<b>470,873</b>		<b>470,873</b>
<b>35 Revised Cash Balance to maintain value using CPI</b>	<b>(4,800,509)</b>		<b>(4,800,509)</b>

**EXPLANATORY NOTES**

**Note 1**

Although there is no "spend to date", the expenditure for these items is committed and will be met by a transfer to services to meet expenditure they have incurred. This is done 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 outturn.

**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 11 March 2010**

<u>Decision</u>	<u>Committee</u>	<u>£000s</u>
Approval of Budget	RMC 11.03.10	396,617
CLAN	RMC 11.05.10	55,000
Revised Budget		<u>451,617</u>

RMC - Resources Management Committee

				Appendix 2
<b>ANALYSIS OF OTHER EXPENSES</b>				
<b>INCOME &amp; EXPENDITURE HEADINGS</b>				
	BUDGET	ACTUAL TO	ESTIMATED	
	2010/11	31st JULY	OUT-TURN	
	2010/11	2010/11	2010/11	
	£s	£s	£s	
<b><u>General Properties/Estates</u></b>				
Rates and Insurance	1,800	-	1,800	
Repairs and Maintenance	24,000	198	24,000	
<b>Sub-Total General Properties/Estates</b>	<b>25,800</b>	<b>198</b>	<b>25,800</b>	
<b><u>Miscellaneous expenditure</u></b>				
St. Nicholas Carillon	5,928	-	5,928	Note 1
Printing, Advertising and Sundry /outlays, etc.	6,600	269	6,600	
Official Catering	17,000	(1,500)	17,000	
<b>Sub Total Miscellaneous expenditure</b>	<b>29,528</b>	<b>-1,231</b>	<b>29,528</b>	
<b><u>Civic Hospitality</u></b>				
Promotional Civic Hospitality	8,000	72	8,000	
Hospitality to Visitors/Groups to the Town House	15,000	1,012	15,000	
<b>Total Misc. Civic Hosp.</b>	<b>23,000</b>	<b>1,084</b>	<b>23,000</b>	
<b><u>Other recurring Expenditure</u></b>				
Lord Provost's Gift Fund	18,000	3,576	18,000	
Lord Provost - Lord Lieutenancy and other duties	6,750	427	6,750	
Display of Flags and Regimental Colours and Armistice Day Expenses	5,500	306	5,500	
Picture Loan Scheme	10,000	-	10,000	Note 1
<b>Total Other recurring Expenditure</b>	<b>40,250</b>	<b>4,309</b>	<b>40,250</b>	
<b><u>Misc. Income</u></b>				
Lands of Skene/Torry - Share of Surplus	(60,000)	-	(60,000)	Note 1
Burgesses of Guild and Trade	(150)	(55)	(150)	
<b>Total Misc. Income</b>	<b>(60,150)</b>	<b>(55)</b>	<b>(60,150)</b>	
Note 1 - Although there is no "spend to date", the expenditure for these items is committed and will be met by a transfer to services to meet expenditure they have incurred. This is done 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 outturn.				

## 4. DONATIONS, GRANTS, CONTRIBUTIONS, ETC.

	BUDGET 2010/11 £s	ACTUAL TO 31st JULY 2010/11 £s	ESTIMATED OUT-TURN 2010/11 £s	
Aberdeen Citizen's Advice Bureau	263,025	131,513	263,025	
Techfest	36,500	18,250	36,500	
Satrosphere	35,000	8,750	35,000	
Bulawayo Trust	50,000	21,000	50,000	
Gomel Trust	7,800	7,800	7,800	
Mary Garden Prize	1,500	1,500	1,500	
Presentations Prizes Etc.	1,000	-	1,000	
Quincentenary Prizes Etc.	3,200	3,082	3,200	
Stage 1 Agreement -				
Aberdeen Performing Arts Contribution	75,000	-	75,000	
Aberdeen Safer Community Trust	57,000	28,500	57,000	
Youth Activities small grant funding	50,000	-	50,000	Note 1
Castlegate Arts Rent Grant	8,000	4,000	8,000	
Events Funding	50,000	-	50,000	
Lemon Tree Rent	40,000	-	40,000	Note 1
Sub Total	<u>678,025</u>	<u>224,395</u>	<u>678,025</u>	

Note 1 - Although there is no "spend to date", the expenditure for these items is committed and will be met by a transfer to services to meet expenditure they have incurred. This is done 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 outturn.

**COMMON GOOD BUDGET 2010/2011**  
**16. OTHER PROJECTS**

**Appendix 4**

PROJECT	BUDGET 2010/11 £s	ACTUAL TO 31st JULY 2010/11 £s	ESTIMATED OUT-TURN 2010/11 £s
Home Safety Check Scheme	71,376	-	71,376 Note 1
Charity Shop	13,000	-	13,000 Note 1
Community Safety Initiatives	1,500	-	1,500
	<u>85,876</u>	<u>-</u>	<u>85,876</u>

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