

# **PERTH COMMON GOOD FUND COMMITTEE**

**19 June 2019**

## **2018/19 & 2019/20 FINANCIAL STATEMENTS**

### **Report by Head of Finance (Report No. 19/184)**

#### **PURPOSE OF REPORT**

This report includes the 2018/19 Unaudited Financial Statement and 2019/20 Financial Statement to 26 May 2019 (including the projected outturn to 31 March 2020).

#### **1. BACKGROUND / MAIN ISSUES**

- 1.1 This report provides an update on the unaudited final outturn for 2018/19 and the monitoring position and projected outturn for 2019/20.

#### **2. PROPOSALS**

##### Financial Statement 2018/19

- 2.1 Report 19/121 considered by this Committee on 24 April 2019 included year-end projections for Income and Expenditure to 31 March 2019. At this time there was an estimated projected deficit for 2018/19 of £181,897 which would result in a projected Total Fund Balance of £1,503,130. Following completion of the 2018/19 unaudited accounts, which remain subject to audit by KPMG, the deficit for the year to 31 March 2019 was £168,612 and the Total Fund Balance is £1,516,415 as detailed in Appendix 1.
- 2.2 The Total Fund Balance includes £1,000,000 as the Minimum Revenue Balance and £167,669 as the Repair and Renewal Reserve resulting in £348,746 of uncommitted Reserves.
- 2.3 The positive movement of £13,285 from the previously reported deficit is mainly due to final adjustments for:-
- £2,476 under spend on Repairs and Maintenance
  - £2,098 under spend on Depreciation
  - £5,525 unclaimed and withdrawn Financial Assistance applications
  - £500 under spend on Printing & Advertising etc.
  - £2,708 increase in Interest Income

##### Financial Statement 2019/20

- 2.4 On the basis of Appendix 2, there is a projected deficit of £25,500 for 2019/20. The opening balance of £1,516,415 differs from the previously reported figure of £1,503,130 (Report No. 19/121 refers) through finalising the 2018/19 accounts as detailed above. Any further changes will be reported to future meetings of the Perth Common Good Fund Committee. The estimated Total

Common Good Fund balance at 31 March 2020 is now £1,490,915. Of the total balance £1,000,000 is reserved as the Minimum Revenue Balance of the Fund to ensure its long-term sustainability and £120,000 is earmarked as a Repair and Renewal Reserve (Report No. 19/55 refers). This leaves an Uncommitted Revenue Account balance of £370,915 available for the funding of unforeseen expenditure.

- 2.5 The movement from the previously reported deficit of £30,100 is due to an adjustment to the depreciation charge for the year, following a year-end review of the depreciation charge for Common Good properties.

### 3. CONCLUSION AND RECOMMENDATIONS

3.1 The Committee is requested to:-

- (i) Note the Perth Common Good Fund Unaudited Financial Statement to 31 March 2019 as set out in Appendix 1 to the report.
- (ii) Note the Perth Common Good Fund Financial Statement to 26 May 2019 and the projected outturn to 31 March 2020 for Financial Year 2019/20 as set out in Appendix 2 to the report.

#### Author(s)

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#### Approved

Name	Designation	Date
Stewart MacKenzie	Head of Finance	29 May 2019
Jim Valentine	Depute Chief Executive and Chief Operating Officer	30 May 2019

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## 1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

<b>Strategic Implications</b>	<b>Yes / None</b>
Community Plan / Single Outcome Agreement	<b>None</b>
Corporate Plan	<b>Yes</b>
<b>Resource Implications</b>	
Financial	<b>Yes</b>
Workforce	<b>None</b>
Asset Management (land, property, IST)	<b>None</b>
<b>Assessments</b>	
Equality Impact Assessment	<b>Yes</b>
Strategic Environmental Assessment	<b>Yes</b>
Sustainability (community, economic, environmental)	<b>Yes</b>
Legal and Governance	<b>None</b>
Risk	<b>None</b>
<b>Consultation</b>	
Internal	<b>Yes</b>
External	<b>None</b>
<b>Communication</b>	
Communications Plan	<b>None</b>

### 1. Strategic Implications

#### 1.1 Corporate Plan

1.1.1 The Council's Corporate Plan 2018 – 2023 lays out five outcome focussed strategic objectives which provide clear strategic direction, inform decisions at a corporate and service level and shape resources allocation. They are as follows:

- (i) Giving every child the best start in life;
- (ii) Developing educated, responsible and informed citizens;
- (iii) Promoting a prosperous, inclusive and sustainable economy;
- (iv) Supporting people to lead independent, healthy and active lives; and
- (v) Creating a safe and sustainable place for future generations.

1.1.2 This report relates to all objectives.

### 2. Resource Implications

#### 2.1 Financial

2.1.1 There are no direct financial implications arising from this report other than those reported within the body of the main report.

### **3. Assessments**

#### **3.1 Equality Impact Assessment**

3.1.1 Under the Equality Act 2010, the Council is required to eliminate discrimination, advance equality of opportunity, and foster good relations between equality groups. Carrying out Equality Impact Assessments for plans and policies allows the Council to demonstrate that it is meeting these duties.

3.1.2 The information contained within this report has been considered under the Corporate Equalities Impact Assessment process (EqIA) and has been assessed as **not relevant** for the purposes of EqIA.

#### **3.2 Strategic Environmental Assessment**

3.2.1 The Environmental Assessment (Scotland) Act 2005 places a duty on the Council to identify and assess the environmental consequences of its proposals.

3.2.2 The information contained within this report has been considered under the Act. However, no action is required as the Act does not apply to the matters presented in this report.

#### **3.3 Sustainability**

3.3.1 Under the provisions of the Local Government in Scotland Act 2003 the Council has to discharge its duties in a way which contributes to the achievement of sustainable development. In terms of the Climate Change Act, the Council has a general duty to demonstrate its commitment to sustainability and the community, environmental and economic impacts of its actions.

3.3.2 The information contained within this report has been considered under the Act. However, no action is required as the Act does not apply to the matters presented in this report.

### **4. Consultation**

#### **4.1 Internal**

4.1.1 The Depute Chief Executive/Chief Operating Officer has been consulted in the preparation of this report.

### **5. BACKGROUND PAPERS**

5.1 No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to any material extent in preparing the above report.

## **6. APPENDICES**

Appendix 1 – Perth Common Good Fund Unaudited Financial Statement for Financial Year 2018/19.

Appendix 2 - Perth Common Good Fund Financial Statement for period to 26 May 2019 for Financial Year 2019/20.