

# **PERTH COMMON GOOD FUND COMMITTEE**

**24 April 2019**

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

### **Report by Head of Finance (Report No. 19/121)**

#### **PURPOSE OF REPORT**

This report details the Income and Expenditure and the projected outturn to 31 March 2019 for Financial Year 2018/19; and the Income and Expenditure to 3 April 2019 and the projected outturn to 31 March 2020 for Financial Year 2019/20.

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

- 1.1 The Committee approved the Perth Common Good Fund budget for 2019/20 at the meeting of 27 February 2019 (Report 19/55 refers). This report provides an update on the projected outturn for 2018/19, together with the approved budget and projected outturn for 2019/20.

#### **2. PROPOSALS**

##### **2.1 Financial Statement 2018/19**

On the basis of Appendix 1, it is anticipated that there will be a deficit of £181,897 in 2018/19 and that the Fund's estimated Total Account Balance will be £1,503,130 at 31 March 2019. This includes £1,000,000 as the Minimum Revenue Balance, £167,669 as the Repair and Renewal Reserve and £335,461 of other useable reserves.

- 2.2 The movement from the previously reported deficit of £205,151 reported to this Committee on 27 February 2019 (Report 19/55 refers) is mainly attributed to a £14,000 underspend on Christmas lighting costs through fewer repairs to lighting and no new lights being purchased; and £11,700 from the rephasing of works at 2 North Port (See 2.3 below). In addition to this, following the decisions taken by the Committee at the previous meeting, there is a £1,400 reduction to the projected outturn for Small Grants. The underspend is partly offset by a reduction in rental income for the year of £4,874 due to the 2 North Port shop being vacant pending upgrade, and the rent free period at 2-4 North Methven Street during the completion of repair works.

- 2.3 The schedule of works for the 2 North Port property was approved by Committee at the meeting of 19 December 2018 (Report 18/406 refers). The upgrade works are progressing, however due to the timing of works being undertaken, the budget requires rephasing. It had been anticipated that the construction phase would have commenced during 2018/19; however it has been confirmed that the professional fees for the project are the only cost incurred in this financial year. It is now anticipated that £3,300 will be spent on the upgrade in 2018/19 and as such, the projected outturn has been

revised accordingly. It is therefore proposed to return £11,700 to the Repair and Renewal Reserve in 2018/19, to be drawn down in 2019/20 to fund the completion of the works.

#### 2.4 Financial Statement 2019/20

On the basis of Appendix 2, which currently shows only the approved budget, there is expected to be a £30,100 deficit for the year. The opening balance of £1,503,130 is subject to finalising the 2018/19 accounts with any movement reported to a future meeting of the Perth Common Good Fund Committee. The estimated Total Common Good Fund balance at 31 March 2020 is £1,473,030. 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 19/55 refers). This leaves an Uncommitted Revenue Account balance of £353,030 remaining available for the funding of unforeseen expenditure.

- 2.5 The assumptions used in preparing the budget for income, approved at the previous meeting, remain unchanged with no changes to the projected outturn for 2019/20. Any updates through rent reviews or changes in interest rates will be communicated to this Committee at future meetings.

### **3. CONCLUSION AND RECOMMENDATIONS**

#### 3.1 The Committee is requested to:-

- (i) Note the Perth Common Good Fund Income and Expenditure and the projected outturn to 31 March 2019 as set out in Appendix 1 to the report.
- (ii) Approve the rephasing of the budget for the repair works to 2 North Port, from 2018/19 to 2019/20 as detailed in paragraph 2.3 above.
- (iii) Note the Perth Common Good Fund Income and Expenditure to 3 April 2019 and the projected outturn to 31 March 2020 as set out in Appendix 2 to the report.

**Author(s)**

<b>Name</b>	<b>Designation</b>	<b>Contact Details</b>
Donald Coyne	Senior Accountant	CHXFinance@pkc.gov.uk

**Approved**

<b>Name</b>	<b>Designation</b>	<b>Date</b>
Stewart MacKenzie	Head of Finance	1 April 2019
Jim Valentine	Depute Chief Executive and Chief Operating Officer	4 April 2019

If you or someone you know would like a copy of this document in another language or format, (on occasion, only a summary of the document will be provided in translation), this can be arranged by contacting the Customer Service Centre on 01738 475000.

You can also send us a text message on 07824 498145.

All Council Services can offer a telephone translation facility.

## 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 Financial Statement for period to 31 March 2019 for Financial Year 2018/19.

Appendix 2 - Perth Common Good Fund Financial Statement for period to 3 April 2019 for Financial Year 2019/20.