

PERTH COMMON GOOD FUND COMMITTEE

29 JANUARY 2024

2024/25 BUDGET & 2023/24 FINANCIAL STATEMENT

Report by Head of Finance
(Report No. 24/28)

1. PURPOSE OF REPORT

1. This report seeks approval of the budget for financial year 2024/25 for the Perth Common Good Fund, and provides details of the Income and Expenditure to 30 November 2023 and the projected outturn for Financial Year 2023/24.

2. RECOMMENDATIONS

- 2.1 The Committee is requested to:
 - (i) Approve the Perth Common Good Fund Budget for financial year 2024/25, as set out in Appendix 1;
 - (ii) Note the draft Budgets for the Fund for financial years 2025/26 and 2026/27, as set out in Appendix 1;
 - (iii) Note the projected Income and Expenditure to 31 March 2024 for the Perth Common Good Fund for the 2023/24 Financial Year, as set out in Appendix 2 to the report.

3. BACKGROUND / MAIN ISSUES

- 3.1 The budget for Financial Year 2023/24 was approved by the Committee on 6 February 2023 (Report 23/37). The Committee received financial monitoring updates at the meetings on 22 May 2023 (Report 23/145), 18 September 2023 (Report 23/250), and 27 November 2023 (Report 23/322).
- 3.2 The proposed budget for 2024/25 has been prepared based on activity undertaken in the years following the covid pandemic and cost of living crisis, and specific budget lines have been adjusted for anticipated changes in the new financial year. Appendix 1 provides the proposed 2024/25 Budget for the Perth Common Good Fund and the draft budgets for 2025/26 and 2026/27.
- 3.3 This report also provides an update on the projected outturn for Financial Year 2023/24.

4. PROPOSALS

Budget 2024/25

- 4.1 The proposed budget for 2024/25 and the draft budgets for 2025/26 and 2026/27 are at current prices and have been prepared in line with activity following the covid pandemic and cost of living crisis, and in line with the anticipated costs which are likely to be incurred in future years.
- 4.2 Appendix 1 provides a summary of the actual outturn for the years 2020/21 to 2022/23, together with the projected outturn for 2023/24. Also included is the proposed budget for 2024/25, and draft budgets for the following two financial years.
- 4.3 The proposed budgets for 2025/26 to 2026/27 achieve a surplus to provide contingency for any in-year movement in the actual income received and/or expenditure incurred.
- 4.4 The review of titles for the former burgh is complete and following a period of public consultation the findings are now available on the Perth and Kinross Council Citizen Space website. Apart from professional fees to complete the review of moveable Common Good property, there is no other financial impact on the Fund. However, there remains the risk that a common good site used for service delivery by the Council is declared surplus in the future. In this scenario, the site would transfer to the Perth Common Good Fund and the Fund would be responsible for the upkeep of the site until disposal.
- 4.5 In line with previous years, the 2024/25 Perth Common Good Fund budget and medium-term plan is based upon a strategy of distributing the annual income of the Fund, whilst protecting the Fund balance. There is a budgeted deficit in 2024/25 which is due to the Moncrieffe Island Causeway works, however, the budgeted surplus in future years will recover the deficit. There does, however, remain the risk that the balance may be eroded in the event of a shortfall in income or if expenditure budgets are exceeded in future years.
- 4.6 The proposed budget for 2024/25 essentially replicates the budget for the current year, and adjustments to specific lines are noted as follows: -
- **Repairs and Maintenance – Moncrieffe Island Causeway**
A budget line has been added for the replacement of the causeway blockwork, and the repair or replacement of gabion baskets at the edge of the causeway. The estimated cost for the project is £62,000, and this is based upon the previous cost of works with allowances for inflation and optimism bias. The cost will be refined when the outcome of the tender process is known, which is currently timetabled for early April 2024.

- **Financial Assistance – Cost of Living**
There currently is no budget allocated to this activity, however, it is proposed that any 2023/24 Cost of Living underspend is allocated to the budget line in 2024/25.
- **Christmas Events – Switch on Ceremony**
The contribution from the Perth Common Good Fund towards the staging of the Switch on Ceremony has remained at £40,000 since 2017/18. The costs associated with the event have steadily increased over recent years and it is, therefore, proposed that the contribution from the Fund is increased to £50,000 for financial year 2024/25 onwards.

4.7 The anticipated budgeted deficit for 2024/25 is £13,300 which is mainly due to the increased Repairs and Maintenance costs in 2024/25.

Financial Statement 2023/24

4.8 Appendix 2 provides the 2023/24 Financial Statement which includes the Budget approved by Committee on 6 February 2023 (Report 23/37 refers).

4.9 The year end projections for Financial Assistance have been updated in line with the funding requests to be considered by Committee at this meeting. The anticipated underspend to 31 March 2024 across all Financial Assistance budget lines is £24,040. There are currently no other changes to year end estimates for income or expenditure.

4.10 The previously reported deficit of £7,800 is now projected to be a surplus for 2023/24 of £16,240 and the estimated Fund balance at 31 March 2024 is £1,961,588.

Author(s)

Name	Designation	Contact Details
Fiona Lambie	Accountant	CHXFinance@pkc.gov.uk

Approved

Name	Designation	Date
Stewart Mackenzie	Head of Finance	10.01.2024
Karen Donaldson	Chief Operating Officer	10.01.2024

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.

ANNEX

1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

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

1. Strategic Implications

Corporate Plan

1.1 The Council's Corporate Plan 2022 – 2027 lays out seven 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:

- Tackling poverty
- Tackling climate change and supporting sustainable places
- Growing a sustainable and inclusive local economy
- Enabling our children and young people to achieve their full potential
- Protecting and caring for our most vulnerable people
- Supporting and promoting physical and mental wellbeing
- Placing communities at the heart of how we work

1.2 This report relates to all objectives.

2. Resource Implications

Financial

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

3. Assessments

Equality Impact Assessment

- 3.1 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.
- 3.2 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.

Strategic Environmental Assessment

- 3.3 The Environmental Assessment (Scotland) Act 2005 places a duty on the Council to identify and assess the environmental consequences of its proposals.
- 3.4 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.

Sustainability

- 3.5 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.
- 3.6 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

Internal

- 4.1 The 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 – Audited Outturn for 2020/21 to 2022/23: Projected Income & Expenditure for 2023/24; and Draft Budgets for 2024/25 to 2026/27.
- Appendix 2 – Perth Common Good Fund – Financial Statement for the period to 30 November 2023 for Financial Year 2023/24.