

PERTH COMMON GOOD FUND COMMITTEE

6 FEBRUARY 2023

2023/24 BUDGET & 2022/23 FINANCIAL STATEMENT

Report by Head of Finance
(Report No. 23/37)

1. PURPOSE OF REPORT

This report seeks approval of the budget for financial year 2023/24 for the Perth Common Good Fund, and provides details of the Income and Expenditure to 31 December 2022 and the projected outturn for Financial Year 2022/23.

2. RECOMMENDATIONS

2.1 The Committee is requested to:

- (i) Approve the Perth Common Good Fund Budget for financial year 2023/24, as set out in Appendix 1;
- (ii) Note the draft Budgets for the Fund for financial years 2024/25 and 2025/26, as set out in Appendix 1;
- (iii) Note the projected Income and Expenditure to 31 March 2023 for the Perth Common Good Fund for the 2022/23 Financial Year, as set out in Appendix 2 to the report.

3. BACKGROUND / MAIN ISSUES

- 3.1 The budget for Financial Year 2022/23 was approved by the Committee on 21 February 2022 (Report 22/40). The Committee received financial monitoring updates at the meetings on 26 April 2022 (Report 22/100), 22 June 2022 (Report 22/144), 28 September (Report 22/236), and 21 December 2022 (Report 22/306).
- 3.2 The proposed budget for 2023/24 has been prepared based on activity undertaken in the years prior to and following the covid pandemic, and specific budget lines have been adjusted for anticipated changes in the new financial year. Appendix 1 provides the proposed 2023/24 Budget for the Perth Common Good Fund and the draft budgets for 2024/25 and 2025/26.
- 3.3 This report also provides an update on the projected outturn for Financial Year 2022/23.

4. PROPOSALS

Budget 2023/24

- 4.1 The proposed budget for 2023/24 and the draft budgets for 2024/25 and 2025/26 are at current prices and have been prepared in line with activity prior to the covid pandemic, 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 2019/20 to 2021/22, together with the projected outturn for 2022/23. Also included is the proposed budget for 2023/24, and draft budgets for the following two financial years.
- 4.3 The proposed budgets for 2023/24 to 2025/26 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 the consultation process is underway. Apart from the professional fees incurred to complete the review, there is no financial impact on the Fund. The risk of sites transferring to or from the Fund has diminished, 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 2023/24 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 in forecasting a surplus in all years. There remains the risk that the balance may be eroded in the event of a shortfall in income or if expenditure budgets are exceeded in any year.
- 4.6 The proposed budget for 2023/24 essentially replicates the budget for the current year, and adjustments to specific lines are noted as follows: -
- Financial Assistance – Perth & Strathearn Round Table
The proposed budget has been increased to £20,000 in line with increased costs, and to fund a potential alternative display;
 - Financial Assistance – Small Grants & Capital Grants
The proposed budgets for Small Grants and Capital Grants have been increased to £75,000 and £50,000 respectively, in line with increasing costs and the available resources for 2023/24;
 - Income – Rents

The proposed budget has been increased to £250,000 which reflects the increase in rental income arising from the rent reviews completed in 2022/23;

- **Income – Interest on Investments**

The proposed budget has been increased to £60,000 which reflects the anticipated interest rate which will be applied to the fixed term deposit following rollover in February 2023.

4.7 The anticipated budgeted surplus for 2023/24 is £53,700 and this is sufficient to fund any unforeseen expenditure, and to also ensure that the Fund balance remains sustainable over the longer term.

Financial Statement 2022/23

4.8 Appendix 2 provides the 2022/23 Financial Statement which includes the Budget approved by Committee on 21 February 2022 (Report 22/40 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 2023 across all Financial Assistance budget lines is £15,220. There are currently no other changes to year end estimates for income or expenditure.

4.10 The previously reported surplus for 2022/23 has increased to £78,545 and the estimated Fund balance at 31 March 2023 is £1,897,537.

Author(s)

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Approved

Name	Designation	Date
Stewart Mackenzie	Head of Finance	25 January 2023
Karen Donaldson	Chief Operating Officer	25 January 2023

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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 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.

1.2 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 2019/20 to 2021/22: Projected Income & Expenditure for 2022/23; and Draft Budgets for 2023/24 to 2025/26
- Appendix 2 - Perth Common Good Fund - Financial Statement for the period to 31 December 2022 for Financial Year 2022/23