

ANGUS COUNCIL

6 FEBRUARY 2020

COMMON GOOD FUND – PROJECT APPROVAL

REPORT BY THE DIRECTOR OF INFRASTRUCTURE

ABSTRACT

This report seeks approval for a Montrose Common Good fund loan.

1. RECOMMENDATIONS

- 1.1 It is recommended that the Council approves the requested loan funding for the Montrose Playhouse project from Montrose Common Good Fund as detailed in **Appendix 1**.

2. ALIGNMENT TO THE ANGUS LOCAL OUTCOMES IMPROVEMENT PLAN / CORPORATE PLAN

ECONOMY

1. An inclusive and sustainable economy
2. A skilled and adaptable workforce
3. Attractive employment opportunities

PEOPLE

4. The best start in life for children
5. More opportunities for people to achieve success
6. Improved physical, mental and emotional health and well-being

PLACE

7. Safe, secure, vibrant and sustainable communities
8. A reduced carbon footprint
9. An enhanced, protected and enjoyed natural and built environment

3. CURRENT POSITION

- 3.1 The Council administers the five individual Common Good funds:

- Arbroath
- Brechin
- Forfar
- Kirriemuir
- Montrose

- 3.2 As part of the budget cycle, council services have the opportunity to submit bids for Common Good funds and this is particularly prevalent where the bids are for the maintenance of the Common Good asset for repairs and maintenance which is a liability on the Common Good funds. Other organisations may make bids for funding from Common Good funds in accordance with the application process and guidance notes.

- 3.3. The process for approval of Common Good fund bids is set out in the council's Financial Regulations.

4. PROPOSALS

- 4.1 Details of the individual project for which formal approval is sought is contained in **Appendix 1** in this report. Relevant Members' views were sought regarding the proposed project and the responses are noted in **Appendix 1**.
- 4.2 Further reports will be presented to the relevant Committee, if further project approvals are sought during the financial year.

5. FINANCIAL IMPLICATIONS

- 5.1 A summary of the financial implications are outlined below if the Council is minded to agree the proposed project taking into account the views of local ward members.

Common Good Fund	Revenue Balance as at 01/04/19 (£)	Estimated Outturn Revenue Balance as at 31/03/20 (£)	Additional 2019/20 Cost per this Report (£)	Updated Estimated Outturn Revenue Balance as at 31/03/20 (£)	Minimum Revenue Account Balance (£)
Montrose	385,140	315,789	40,000	275,789	100,000

6. CONCLUSION

- 6.1 A loan request has been received in 2019/20 for £40,000 from the Montrose Common Good Fund which has been considered by the Ward Members as set out in **Appendix 1**.

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

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MONTROSE COMMON GOOD FUND

Project Name 1	Loan for Cash Flow
Organisation	Montrose Playhouse Project SCIO
Value	£40,000 interest free loan
Description	12 month loan to assist project with cashflow for VAT
Status	<p>£40,000 All Members agreed to providing a loan. Advice from the Director of Finance is that an interest free loan would set a precedent and given all loans carry risk a return to the lender should be expected. Recent practice has been to charge the Council's loans pool rate (currently 4.28%) plus 0.5% totalling 4.78%. and members have agreed to this level of interest.</p> <p>3 Members have expressed the view that they would wish to see the repayments starting after the first quarter and be repaid by the end of the 12 months.</p>

Total funding requested Montrose Common Good Fund 2019/20 – a £40,000 loan with standard interest was agreed by Members, with a majority view that this be paid back from month 3 to month 12.