

**ANGUS COUNCIL**

**10 FEBRUARY 2022**

**COMMON GOOD FUNDS – PROJECT APPROVAL**

**REPORT BY THE DIRECTOR OF INFRASTRUCTURE**

**ABSTRACT**

This report seeks Council's approval for a loan to be given to Montrose Playhouse Project SCIO as part of 2021/22 Common Good funded projects.

**1. RECOMMENDATIONS**

1.1 It is recommended that the Council:

- (i) approve the requested loan funding for a 2021/2022 project from Montrose Common Good Funds as detailed in **Appendix 1**;
- (ii) delegate authority to the Director of Infrastructure, following consultation with the Director of Finance and the Director of Legal and Democratic Services, to decide the structure of the loan guarantees to be entered with directors/sponsors; and
- (iii) delegate authority to the Director of Legal and Democratic Services to execute a loan guarantee agreement between Common Good and Montrose Playhouse Project SCIO.

**2. ALIGNMENT TO THE ANGUS COMMUNITY PLAN / COUNCIL 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 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 Committee, if further project approvals are sought during the financial year.

#### 5. FINANCIAL IMPLICATIONS

- 5.1 At the Council meeting on 24 June 2021, Report 214/21 set out the provisional revenue budget and estimated revenue balances for future financial years for each of the Common Good funds.
- 5.2 A summary of the financial implications are outlined below if the Council is minded to agree the proposed projects:

<b>Common Good Fund</b>	<b>Unaudited Actual Revenue Balance as at 31/03/21 (£)</b>	<b>Estimated Outturn Revenue Balance as at 31/03/22 (£)</b>	<b>Additional 2021/22 Cost per this Report (£)</b>	<b>Updated Estimated Outturn Revenue Balance as at 31/03/22 (£)</b>	<b>Minimum Revenue Account Balance (£)</b>
<b>Montrose</b>	367,122	315,884	59,000	256,884	100,000

- 5.3 It is proposed that this funding is provided on a loan basis subject to interest. It is proposed that a loan guarantee agreement will be entered into between the Council and Montrose Playhouse Project SCIO to ensure conditions apply to its repayment and to manage the risk exposure to the Common Good Fund.

#### 6. CONCLUSION

- 6.1 A funding request for a loan has been received for 2021/22 totalling £59,000 from the Montrose Common Good Fund.

**NOTE:** The background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) which were relied on to any material extent in preparing the above report are:

- Report 214/21 - Common Good Funds Revenue Budget 2021/22 and Provisional Budgets 2022/23 to 2025/26 – Angus Council – 24 June 2021

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List of Appendices

Appendix 1 - Project for Approval

**MONTROSE COMMON GOOD FUND**

<b>Project Name 1</b>	<b>Montrose Play House</b>
Organisation	Montrose Playhouse Project SCIO (Scottish Charity No SC044798)
Value	<b>£59,000</b>
Description	Loan to bridge VAT payment for final construction invoice, to be repaid in April 2022; a previous loan of £40,000 has been repaid.
Status	3 ward members indicated support for this proposal subject to interest and additionally subject to individual loan guarantee from Directors and/or sponsors the detail of which is still to be agreed and delegated authority is requested to the Director of Infrastructure to deal with this matter; 1 Member declared an interest,

<b>Total funding requested Montrose Common Good Fund 2021/22 – £59,000 (Loan)</b>
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