

POLICY AND RESOURCES

2 MAY 2023

COMMON GOOD FUNDS REVENUE BUDGET 2023/24 AND PROVISIONAL BUDGETS 2024/25 & 2025/26

JOINT REPORT BY DIRECTOR OF INFRASTRUCTURE & ENVIRONMENT AND DIRECTOR OF FINANCE

ABSTRACT

The Council's Common Good Fund Policy Guidelines and Administrative Procedures (Report 138/21 refers) requires the setting of the annual Common Good Funds budget which should also include indicative budgets of income and expenditure (including asset maintenance schedules) projections for the following two years.

1. RECOMMENDATION

It is recommended that the Committee:

- (i) notes the audited Common Good Funds revenue balances at 31 March 2022;
- (ii) notes the estimated Common Good Funds revenue balances at 31 March 2023, given the previously approved projects budget commitments;
- (iii) approves the Common Good Fund's budget for 2023/24 (appendix 1) including the 2023/34 budget bids (appendix 3) and notes the provisional revenue balances as at 31 March 2024;
- (iv) approves the 2023/24 Common Good budget bids for: Webster Memorial Theatre, Arbroath annual gutter cleaning £2,000, former Parish Church, Arbroath annual gutter cleaning £2,000, Mechanics Institute, Brechin annual gutter cleaning £1,000 and City Hall, Brechin annual flooring resealing/buffing, £2,000 all for a three year duration;
- (v) notes the Common Good Funds provisional revenue budget for 2024/25 and 2025/26 and notes the estimated revenue balances for financial years ending 31 March 2025 and 2026 respectively; and
- (vi) notes the current three year asset maintenance schedule for the various Common Good properties.

2. ALIGNMENT TO THE COUNCIL PLAN

Caring for our Place:

- Protect and enhance our natural and built environment
- Enable inclusive, empowered, resilient and safe communities across Angus

3. BACKGROUND

3.1 The Council administers the five individual Common Good funds:

- Arbroath

- Brechin
- Forfar
- Kirriemuir
- Montrose

- 3.2 The process for approval of Common Good fund bids is set out in the council's Financial Regulations. Members for wards which have Common Good funds are consulted on applications for the use of the funds either for management of the Common Good properties or where funding is requested by communities or Angus Council services. Reports on such applications are submitted to Policy & Resources Committee for approval.
- 3.3 Members are reminded that Infrastructure & Environment officers periodically inspect all council properties (including Common Good) and prepare asset management plans to manage the properties and plan works. This planning anticipates replacement of building components but cannot predict all events such as weather related issues or tenancy changes.
- 3.4 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.

4. CURRENT POSITION

- 4.1 Report 196/21 set out the five yearly Review of Common Good Rents of Common Good properties occupied by council services which generates over c. £287,500 annually to the respective funds.

Similarly, there is further annual rental income (2022/23 c. £40,000) from commercial / community rents of other Common Good properties, which are reviewed as set out in the individual leases (normally five years).

- 4.2 The cash balance (revenue and capital) of each Common Good Fund is invested annually within the Council's Loan Fund and subsequently generates an annual interest income for each Common Good Fund, in addition to any rental income received.
- 4.3 Appendix 1 for each Common Good Fund shows the audited accounts for 2021/22 and the estimated revenue budgets 2022/23 to 2025/26. The Appendix also shows the total actual revenue cash balance as at 31 March 2022 through to an estimated balance as at 31 March 2026 for each Common Good Fund.

The forecasted 2022/23 budget includes any previously unutilised budget to date and commitments approved by Committee.

- 4.4 Appendix 2 sets out works currently identified in the asset management plans for the respective buildings set out over a 3 year period. As with the general fund capital plan and the budget headings contained therein, additional works may be added, and priorities amended in a proactive approach to property maintenance. All figures are current estimates and may be subject to change as the works are brought forward and procured. The plan is set out to assist Members in forecasting outgoings from the fund in future planning. Kirriemuir Common Good does not own any physical assets.

5. PROPOSALS

- 5.1 Budget bids proposed for 2023/24 have been subject to consultation with the ward Members and are set out in Appendix 3 for approval to proceed. Approval is only sought for the 2023/34 Common Good Funds budgets. The exception to this is specific works which will be required in each of the next three years for which approval is sought covering all three of those years. These works are Arbroath and Brechin, where three year gutter cleaning costs for: Webster Memorial Theatre, the former Arbroath Parish Church and the Mechanics Institute in Brechin

costing £2,000, £2,000 and £1,000 per annum respectively. In addition, approval for buffing and resealing hardwood floors at Brechin City Hall at £2,000 per annum is also sought for a three year period.

As stated above, the budgets for 2024/25 and 2025/26 are only indicative at present with exception of the three years items highlighted in the paragraph above. Subsequently, further committee reports shall be submitted at the start of each of these financial years seeking approval for the Common Good Funds budget for the forthcoming year.

- 5.2 Each Common Good has a minimum revenue account balance being: Arbroath £300,000, Brechin £200,000, Forfar £300,000, Kirriemuir £1,000 and Montrose £100,000

6 FINANCIAL IMPLICATIONS

- 6.1 A summary of the financial implications are outlined below if the Members are minded to agree all the proposed projects set out in Appendix 3.

Common Good Fund	Audited Revenue Balance as at 01/04/22 (£)	Estimated Revenue Balance as at 31/03/23 (£)	Estimated Revenue Balance as at 31/03/24 (£)	Additional 2023/24 Cost per this Report (£)	Updated Estimated Revenue Balance as at 31/03/24 (£)
Arbroath	501,227	494,523	529,177	8,400	520,777
Brechin	482,965	352,492	397,205	18,500	378,705
Forfar	763,454	701,781	764,146	78,371	685,775
Kirriemuir	7,553	7,700	7,810	0	7,810
Montrose	456,876	373,304	416,962	88,000	328,962

7. EQUALITY IMPACT ASSESSMENT

An Equality Impact Assessment screening has been carried out and is attached.

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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 No 138/21 - Common Good Fund Policy Guidelines and Administrative Procedures – Angus Council
- Report No 196/21 - Review of Common Good Rents – Policy & Resources Committee

List of Appendices

Appendix 1 – Common Good 2023/24 Provisional Revenue Budget Volume
Appendix 2 – Provisional Asset Maintenance Schedule 23/24 to 25/26
Appendix 3 – Projects for Approval 2023/24



Equality Impact/Fairer Scotland Duty Assessment Form

(To be completed with reference to Guidance Notes)

Step 1

Name of Proposal (includes e. g. budget savings, committee reports, strategies, policies, procedures, service reviews, functions):

Common Good Funds Revenue Budget 2023/24 and Provisional Budgets 2024/25 & 2025/26

Step 2

Is this only a **screening** Equality Impact Assessment Yes/~~No~~

(A) If Yes, please choose from the following options **all** reasons why a full EIA/FSD is not required:

(i) It does not impact on people Yes/~~No~~

(ii) It is a percentage increase in fees which has no differential impact on protected characteristics Yes/~~No~~

(iii) It is for information only Yes/~~No~~

(iv) It is reflective e.g. of budget spend over a financial year Yes/~~No~~

(v) It is technical Yes/~~No~~

If you have answered yes to any of points above, please go to **Step 16**, and sign off the Assessment.

(B) If you have answered No to the above, please indicate the following:

Is this a full Equality Impact Assessment Yes/~~No~~

Is this a Fairer Scotland Duty Assessment Yes/~~No~~

If you have answered Yes to either or both of the above, continue with Step 3.
If your proposal is a **strategy** please ensure you complete Step 13 which is the Fairer Scotland Duty Assessment.

Step 16: Sign off and Authorisation. Please state name, post, and date for each:

Prepared by: Graeme Dailly, Director of Infrastructure & Environment. 30.03.23

Reviewed by: Rory Tosh, Team Leader – Finance 30.03.23

Approved by: Ian Lorimer, Director of Finance 31.03.2023

NB. There are several worked examples of separate EIA and FSD Assessments in the Guidance which may be of use to you.
