

ANGUS COUNCIL

POLICY & RESOURCES COMMITTEE – 12 MARCH 2024

COMMON GOOD FUNDS REVENUE BUDGET 2024/25 AND PROVISIONAL BUDGETS 2025/26 & 2026/27

JOINT REPORT BY GRAEME DAILLY, DIRECTOR OF INFRASTRUCTURE & ENVIRONMENT AND IAN LORIMER, DIRECTOR OF FINANCE

1. 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 for income and expenditure (including asset maintenance schedules) projections for the following two years.

2. ALIGNMENT TO THE COUNCIL PLAN AND COUNCIL POLICIES

Caring for our Place:

- Engage with communities to support their ambitions to deliver on local aspirations (e.g., community asset transfer requests, community gardens, food hubs).
- Maximise funding opportunities and grants to the Third Sector and communities to support their ambitions to deliver services.

3. RECOMMENDATION(S)

3.1 It is recommended that Committee:

- (i) notes the audited Common Good Funds revenue balances at 31 March 2023 (Appendix A);
- (ii) notes the estimated Common Good Funds revenue balances at 31 March 2024, given the previously approved projects budget commitments (Appendix A);
- (iii) approves the Common Good Fund's budget for 2024/25 (Appendix A) including the 2024/25 budget bids (Appendix C) and notes the provisional revenue balances as at 31 March 2025;
- (iv) approves the 2024/25 Common Good budget bid for: Forfar CCTV energy installations £800 pa for a three year duration (Appendix C);
- (v) notes the Common Good Funds provisional revenue budget for 2025/26 and 2026/27 (Appendix A) and notes the estimated revenue balances for financial years ending 31 March 2026 and 2027 (Appendix A) respectively; and
- (vi) notes the current three year asset maintenance schedule for the various Common Good properties (Appendix B);
- (vii) notes the decommitting of £20,000 previously approved asset maintenance budget for Brechin Municipal Buildings.

4. BACKGROUND

4.1 The Council administers the five individual Common Good funds:

Arbroath
Brechin
Forfar
Kirriemuir

Montrose

- 4.2 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.
- 4.3 Members are reminded that officers from the Infrastructure & Environment directorate 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.
- 4.4 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.
- 4.5 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 (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)

- 4.6 The cash balance (revenue and capital) of each Common Good Fund is invested annually within the Council's Loan Pool Fund and subsequently generates an annual interest income for each Common Good Fund, in addition to any rental income received.

5. CURRENT POSITION

- 5.1 This report and its appendices set out the proposed 2024/25 revenue budget for all Common Good funds and provides an estimate for each Common Good funds revenue balance as at 31 March 2024 through to 31 March 2027, given all known commitments.
- 5.2 Appendix A for each Common Good Fund shows the audited accounts for 2022/23 and the estimated revenue budgets 2023/24 to 2026/27, in addition to the total actual revenue cash balances as at 31 March 2023 through to an estimated balance as at 31 March 2027 for each Common Good Fund

The forecasted 2023/24 budget includes any previously unutilised budget to date commitments approved by Committee.

- 5.3 Appendix B 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.

6. PROPOSALS

- 6.1 Members of the Committee shall be aware of the recent Report 26/24; Surplus Properties, to this committee on 30th January 2024, whereby the Council declared that the Brechin Common Good Fund owned Brechin Municipal Buildings and Flat at 32 – 38 High Street was surplus to its requirements. This report also tasked "the Director of Infrastructure and Environment to bring a report back to Committee on the proposed future use of the property and the associated consultation to be undertaken".

There is a current Brechin Common Good 2023/24 budget commitment (from previously approved budget bids) regarding window replacement (£50,000), fire door replacement (£5,000) and external repaint (£10,000) totalling £65,000 for Brechin Municipal Buildings. As a result of the building now being declared surplus by the Council, it is now deemed prudent to cancel all

the aforementioned non-essential works, until the future of the building is determined, and consequently this budget commitment withdrawn.

It is the case however that dry rot was recently discovered within the building and after consultation with the local elected members it has been agreed that the previously approved 2023/24 £50,000 budget for window replacement (works now deemed to be non-essential) should be used to treat the dry rot at a cost of £45,000. Consequently, Brechin Common Good 2023/24 current year budget (Appendix A) has been amended to account for this overall decommitment of £20,000 asset maintenance budget pertaining to Brechin Municipal Buildings.

The 2023/24 Brechin Common Good budget previously approved £75,000 budget for the Municipal Building roof repairs remains unchanged, as these works are considered critical to safeguard the fabric of the building.

- 6.2 Budget bids proposed for 2024/25 have been subject to consultation with the ward Members and are set out in Appendix C for Committee approval to proceed. Approval is only sought for the 2024/25 Common Good Funds budgets **except Forfar CCTV installations energy costs at £800 per annum which is sought for a three year period.**

As stated above, the budgets for 2025/26 and 2026/27 are only indicative at present with the exception of items highlighted bold in 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.

- 6.3 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

7. FINANCIAL IMPLICATIONS

- 7.1 A summary of the financial implications are outlined below, if the Committee are minded, to agree all the proposed projects set out in Appendix C.

Common Good Fund	Audited Revenue Balance as at 01/04/23 (£)	Estimated Revenue Balance as at 31/03/24 (£)	Estimated Revenue Balance as at 31/03/25 (£)	Additional 2024/25 Cost per this report (App C) (£)	Updated Estimated Revenue Balance as at 31/03/25 (£)
Arbroath	519,281	528,865	549,788	39,320	510,468
Brechin	511,184	404,639	443,554	27,000	416,554
Forfar	783,866	705,975	804,890	36,100	768,790
Kirriemuir	7,703	8,003	8,103	0	8,103
Montrose	402,332	378,254	424,474	0	424,474

8. ENVIRONMENTAL IMPLICATIONS

There are no direct environmental implications arising from the recommendations of this report.

9. EQUALITY IMPACT ASSESSMENT, HUMAN RIGHTS AND FAIRER SCOTLAND DUTY

An Equality Impact Assessment screening has been carried. A full EIA is not required.

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

REPORT AUTHORS: GRAEME DAILLY, DIRECTOR OF INFRASTRUTURE & ENVIRONMENT AND IAN LORIMER, DIRECTOR OF FINANCE

EMAIL DETAILS: FINANCE@angus.gov.uk

List of Appendices:

Appendix A – Common Good 2024/25 Provisional Revenue Budget Volume

Appendix B – Provisional Asset Maintenance Schedule 2025/26 to 2026/27

Appendix C – Projects for Approval 2024/25