

REPORT TO: POLICY & RESOURCES COMMITTEE - 11 MARCH 2002

REPORT ON: COMMON GOOD FUND

REPORT BY: DIRECTOR OF FINANCE

REPORT NO: 103-2002

1 PURPOSE OF REPORT

The purpose of this report is to outline the operation of the Council's Common Good Fund.

2 RECOMMENDATION

It is recommended that the Committee consider the Common Good Fund Revenue Budget for the financial years 2002/03 and 2003/04 and approve the Revenue Budgets for the financial years 2002/03 and 2003/04.

3 INTRODUCTION

- 3.1 Common Good is a term synonymous with the creation of Burghs as trading committees. A Burgh became a trading county when the King licensed that Burgh to have markets, and at that time a Burgh Fund was set up and is now referred to as the Common Good Fund. As indicated by its name, the Fund is to be used for the common good of the City. Under Section 222 of the Local Government (Scotland) Act 1973, it stated that the then District Council in administering the Common Good Fund must "have regard to the interests of all the inhabitants of the district".

4 FINANCIAL CONSIDERATIONS

- 4.1 In the City Council's Financial Regulations, specific reference is made to the Common Good Fund as follows:-

"The Director of Finance will submit a Revenue Budget to the Policy & Resources Committee each year. The Director of Finance will have authority to incur expenditure within the approved budget.

All investments of money shall be made by the Director of Finance in the name of the Council. Any investments made will be in accordance with the policy determined by the Finance Committee.

All securities which are the property of, or in the name of the Council, shall be held in custody under the supervision of the Director of Finance."

- 4.2 It has been accepted as custom and practice that the Common Good Fund should not meet expenditure of a recurring nature, and that it is solely for expenditure of a one-off nature. The City Council has made the following payments from the Common Good Fund since 1996:-

| | |
|----------------------------|----------|
| Community Safety | £ 25,000 |
| Millennium Celebrations | £ 40,000 |
| Cancer Research Centre | £ 25,000 |
| Healthy Dundee Initiative | £ 10,000 |
| Christmas Lights (2001/02) | £138,000 |

- 4.3 The Common Good Fund assets are invested primarily in the Council's Loans Fund and in total generate approximately £125,000 income per annum. From this income the Council will meet expenditure of a non-recurring nature as agreed by the Council.
- 4.4 The expenditure included in the attached Common Good Budgets for 2002/03 and 2003/04 can be met from the projected income in those years.

5 REVENUE BUDGET AND PROPOSED EXPENDITURE FOR 2002/03 AND 2003/04

The Common Good Fund Revenue Budget for the financial years 2002/03 and 2003/04 has been prepared, based on the latest information available. The proposed non-recurring expenditure is included under Third Party Payments in the attached Appendix A, which details the Common Good Fund Revenue Budgets for 2002/03 and 2003/04.

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**DAVID K DORWARD
DIRECTOR OF FINANCE**

DATE:

COMMON GOOD

REVENUE BUDGET 2002/2003

| | Final Revenue Budget 2001/2002 £000 | Provisional Revenue Budget 2002/2003 £000 | Provisional Revenue Budget 2003/2004 £000 |
|--|---|---|---|
| <u>EXPENDITURE</u> | | | |
| STAFF COSTS | | | |
| Salaries and Wages (including NI and Supn): | | | |
| Others | - | - | - |
| TOTAL STAFF COSTS | - | - | - |
| PROPERTY COSTS | | | |
| Property Insurance | 1 | 1 | 1 |
| Energy Costs | 2 | 2 | 2 |
| Christmas Lights | <u>138</u> | <u>29</u> | <u>29</u> |
| TOTAL PROPERTY COSTS | <u>141</u> | <u>32</u> | <u>32</u> |
| SUPPLIES & SERVICES | | | |
| Other Supplies and Services | <u>4</u> | <u>8</u> | <u>5</u> |
| TOTAL SUPPLIES & SERVICES | <u>4</u> | <u>8</u> | <u>5</u> |
| TRANSPORT COSTS | | | |
| | - | - | - |
| THIRD PARTY PAYMENTS | | | |
| Dundee Industrial Heritage | - | 25 | - |
| Admiral Duncan 200 th Anniversary | - | - | 20 |
| Queens Jubilee | - | 25 | - |
| Life Science Project | - | 30 | 70 |
| Research Project on Sustainability and Recycling | <u>5</u> | - | - |
| TOTAL THIRD PARTY PAYMENTS | <u>5</u> | <u>80</u> | <u>90</u> |
| SUPPORT SERVICES | | | |
| Recharge from Central Support Departments | <u>8</u> | <u>5</u> | <u>6</u> |
| TOTAL SUPPORT SERVICES | <u>8</u> | <u>5</u> | <u>6</u> |
| CAPITAL FINANCING COSTS | | | |
| | - | - | - |
| CAPITAL FINANCED FROM CURRENT REVENUE | | | |
| | - | - | - |
| <u>TOTAL GROSS EXPENDITURE</u> | <u>158</u> | <u>125</u> | <u>133</u> |
| <u>INCOME</u> | | | |
| Interest and Dividends | 155 | 122 | 129 |
| Other Income | <u>5</u> | <u>4</u> | <u>4</u> |
| <u>TOTAL INCOME</u> | <u>160</u> | <u>126</u> | <u>133</u> |
| <u>TOTAL NET (INCOME)</u> | <u>(2)</u> | <u>(1)</u> | <u>-</u> |