

REPORT TO: POLICY & RESOURCES COMMITTEE - 22 MARCH 2010

REPORT ON: COMMON GOOD FUND

REPORT BY: DIRECTOR OF FINANCE

REPORT NO: 92-2010

1.0 PURPOSE OF REPORT

This report provides details of the Council's Common Good Fund Revenue Budget for 2010/11.

2.0 RECOMMENDATIONS

It is recommended that the Committee:-

- 2.1 Approve the Common Good Fund 2010/11 Revenue Budget as detailed in Appendix A.

3.0 FINANCIAL IMPLICATIONS

- 3.1 The draft Common Good Fund Revenue Budget for 2010/11 incorporates all known income and committed expenditure for that year. This results in a breakeven budget for the year.

4.0 INTRODUCTION

- 4.1 Common Good is a term synonymous with the creation of Burghs as trading counties. 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 inhabitants of the district".

5.0 FINANCIAL CONSIDERATIONS

- 5.1 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 Policy & Resources 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."

- 5.2 It has been accepted as custom and practice that the Common Good Fund should not meet expenditure of a recurring nature other than the replacement of Christmas Lights, and that it is solely for expenditure of a one-off nature. In recent years the Common Good Fund has contributed to the following initiatives:

	£
Admiral Duncan 200th Anniversary	20,000
Ward Road Gym	92,000
Whitehall Theatre	50,000
The Brae Riding for the Disabled	10,000
Dundee Heritage Trust - RRS Discovery	10,000
Bharatiya Ashram	20,000
Botanic Gardens	90,000
Christmas Lights	30,000

- 5.3 The Common Good Fund assets are invested primarily in the Council's Loans Fund and it is estimated that these will generate approximately £33,000 income in 2010/11.
- 5.4 Unfortunately, the continuing low level of interest rates means that the investment income for the Common Good will only cover the ongoing operating costs of the Common Good and the replacement of Christmas Lights. The draft Common Good Budget for 2010/11 shows a breakeven position and consequently there will be no funds available for distribution during 2010/11.

6.0 REVENUE BUDGET AND PROPOSED EXPENDITURE FOR 2010/11

- 6.1 The Common Good Fund Revenue Budget for the financial year 2010/11 has been prepared, based on the latest information available. Appendix A details the Common Good Fund Revenue Budget for 2010/11.

7.0 POLICY IMPLICATIONS

This report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, Equality Impact Assessment and Risk Management.

There are no major issues.

8.0 CONSULTATIONS

- 8.1 The Chief Executive and Depute Chief Executive (Support Services) .

9.0 BACKGROUND PAPERS

- 9.1 None.

DIRECTOR OF FINANCE

9 MARCH 2010

APPENDIX A

COMMON GOOD

REVENUE BUDGET 2010/2011

	2010/11 £000
<u>EXPENDITURE</u>	
STAFF COSTS	-
PROPERTY COSTS	
Property Insurance	-
Energy Costs	-
Christmas Lights	<u>30</u>
TOTAL PROPERTY COSTS	<u>30</u>
SUPPLIES & SERVICES	
Other Supplies and Services	<u>1</u>
TOTAL SUPPLIES & SERVICES	<u>1</u>
TRANSPORT COSTS	-
THIRD PARTY PAYMENTS	
Sundry Payments	-
TOTAL THIRD PARTY PAYMENTS	-
SUPPORT SERVICES	
Recharge from Central Support Departments	<u>2</u>
TOTAL SUPPORT SERVICES	<u>2</u>
CAPITAL CHARGES	-
<u>TOTAL GROSS EXPENDITURE</u>	<u><u>33</u></u>
<u>INCOME</u>	
Interest and Dividends	33
Other Income	-
<u>TOTAL INCOME</u>	<u><u>33</u></u>
<u>TOTAL NET EXPENDITURE</u>	<u><u>-</u></u>