

**REPORT TO:** POLICY & RESOURCES COMMITTEE - 12 MARCH 2007

**REPORT ON:** COMMON GOOD FUND

**REPORT BY:** DEPUTE CHIEF EXECUTIVE (FINANCE)

**REPORT NO:** 68-2007

**1 PURPOSE OF REPORT**

This report provides details of the Council's Common Good Fund Revenue Budget for 2007/08.

**2 RECOMMENDATION**

It is recommended that the Committee:-

- 2.1 Approve the Common Good Fund 2007/08 Revenue Budget as detailed in Appendix A.
- 2.2 Approve the payment of £10,000 to Dundee Heritage Trust for the restoration of RRS Discovery.
- 2.3 Approve the payment of £5,000 to Morgan Academy FP Association for the reinstatement of the Morgan Academy main gates.
- 2.4 Note that a further report will be brought back to the Committee on the use of the uncommitted balance of £78,000.

**3 FINANCIAL IMPLICATIONS**

- 3.1 The draft Common Good Fund Revenue Budget for 2007/08 incorporates all known income and committed expenditure for that year. If the Committee agree to the grants of £10,000 for Dundee Heritage Trust and £5,000 for the Morgan Academy gates then there will be an uncommitted balance of £78,000 within Third Party Payments. A further report will be brought back to the Committee on proposals for the utilisation of these uncommitted balances.

**4 SUSTAINABILITY IMPLICATIONS**

- 4.1 None.

**5 EQUAL OPPORTUNITIES IMPLICATIONS**

- 5.1 None.

## 6 INTRODUCTION

- 6.1 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".

## 7 FINANCIAL CONSIDERATIONS

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

"The Depute Chief Executive (Finance) will submit a Revenue Budget to the Policy & Resources Committee each year. The Depute Chief Executive (Finance) will have authority to incur expenditure within the approved budget.

All investments of money shall be made by the Depute Chief Executive (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 Depute Chief Executive (Finance)."

- 7.2 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. In recent years the Common Good Fund has contributed to the following initiatives:

	£
Dundee Industrial Heritage	25,000
Queens Jubilee	21,000
University of Dundee Life Science Project	100,000
Admiral Duncan 200th Anniversary	20,000
Ward Road Gym	92,000
Whitehall Theatre	50,000

- 7.3 The Common Good Fund assets are invested primarily in the Council's Loans Fund and it is estimated that these will generate approximately £142,000 income in 2007/08. From this income the Council will meet expenditure of a non-recurring nature as agreed by the Council.
- 7.4 The draft Common Good Budget for 2007/08 shows that there is an uncommitted balance of £78,000.

## **8 REVENUE BUDGET AND PROPOSED EXPENDITURE FOR 2007/08**

- 8.1 The Common Good Fund Revenue Budget for the financial year 2007/08 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 Budget for 2007/08.
- 8.2 The Council has been approached by Dundee Heritage Trust to provide financial support towards a full survey and new conservation plan for the RRS Discovery. The officers would recommend that £10,000 be awarded towards this project.
- 8.3 The Council has been approached by Morgan Academy FP Association to provide financial support towards the reinstatement of the main gates at Morgan Academy. The officers would recommend that £5,000 be awarded towards this project.
- 8.4 Members are asked to agree not to commit the balance of £78,000 until the Depute Chief Executive (Finance) is able to report back on the Bharatiya Ashram project at the Dudhope Arts Centre, which has obtained Lottery funding, and progress in respect of the Unicorn Preservation Society's projects in respect of the Unicorn.

## **9 CONSULTATION**

- 9.1 The Chief Executive, Depute Chief Executive (Support Services) and Head of Finance have been consulted in the preparation of this report.

## **10 BACKGROUND PAPERS**

- 10.1 None.

**DEPUTE CHIEF EXECUTIVE (FINANCE)**

**02 MARCH 2007**

**APPENDIX A****COMMON GOOD****REVENUE BUDGET 2007/2008**

	<b>Final Revenue Budget 2006/07 £000</b>	<b>2007/08 £000</b>
<b><u>EXPENDITURE</u></b>		
<b>STAFF COSTS</b>	<u>-</u>	<u>-</u>
<b>PROPERTY COSTS</b>		
Property Insurance	4	4
Energy Costs	1	1
Christmas Lights	<u>30</u>	<u>30</u>
<b>TOTAL PROPERTY COSTS</b>	<u>35</u>	<u>35</u>
<b>SUPPLIES &amp; SERVICES</b>		
Other Supplies and Services	<u>8</u>	<u>8</u>
<b>TOTAL SUPPLIES &amp; SERVICES</b>	<u>8</u>	<u>8</u>
<b>TRANSPORT COSTS</b>	<u>-</u>	<u>-</u>
<b>THIRD PARTY PAYMENTS</b>		
Whitehall Theatre	25	-
Christmas Lights	46	-
Tayside Dermatology Skin Cancer Treatment and Research Central Appeal	10	-
North Carr Lightship	5	-
Dundee Heritage Trust - RRS Discovery	-	10
Morgan Academy - Reinstatement of Main Gates	-	5
Sundry Payments	<u>-</u>	<u>78</u>
<b>TOTAL THIRD PARTY PAYMENTS</b>	<u>86</u>	<u>93</u>
<b>SUPPORT SERVICES</b>		
Recharge from Central Support Departments	<u>7</u>	<u>7</u>
<b>TOTAL SUPPORT SERVICES</b>	<u>7</u>	<u>7</u>
<b>CAPITAL CHARGES</b>	<u>-</u>	<u>-</u>
<b><u>TOTAL GROSS EXPENDITURE</u></b>	<u>136</u>	<u>143</u>
<b><u>INCOME</u></b>		
Interest and Dividends	130	142
Other Income	<u>6</u>	<u>1</u>
<b><u>TOTAL INCOME</u></b>	<u>136</u>	<u>143</u>
<b><u>TOTAL NET EXPENDITURE</u></b>	<u>-</u>	<u>-</u>