

REPORT TO: East Lothian Council

MEETING DATE: 23 August 2016

BY: Depute Chief Executive (Resources and People Services)

SUBJECT: Common Good Funds – Budget 2016/17 to 2018/19

1 PURPOSE

- 1.1 To approve the budgets for the Dunbar, Haddington, Musselburgh and North Berwick Common Good Funds for 2016/17 to 2018/19, and to recommend that the Fund Committees consider any grant application proposals within these budgets.

2 RECOMMENDATIONS

- 2.1 The Council is recommended to approve the 2016/17 to 2018/19 budgets.

3 BACKGROUND

- 3.1 The financial performance of the Common Good Funds to end of March 2016 is included within the Council's annual statutory accounts. As highlighted in the 2015/16 Financial Review paper considered earlier by Council, the accounts are still subject to audit finalisation and whilst we do not expect any material changes that would affect the reported position, the figures within this report should still be considered as subject to change pending the outcome of the audit.
- 3.2 As at 31 March 2016, the accumulated funds for each of the Common Good funds based on the unaudited accounts are set out below:

Common Good Fund	£'000
Dunbar	94
Haddington	539
Musselburgh	4,580
North Berwick	311
TOTAL	5,524

- 3.3 The Scheme of Administration requires the Council to approve an updated budget for each of the four Common Good Funds. The Council approved a three-year budget covering the financial years' 2016/17 and 2017/18 budgets at its meeting on 25 August 2015.
- 3.4 The budgets set out in Appendices 1–4 are rolled forward from the previous year and are based largely on historical spending patterns and any known commitments for 2016/17 and beyond. In the first instance, income is used to maintain the common good asset base with any surplus funds being used to benefit the inhabitants of the area covered by the fund.
- 3.5 Each of the Common Good Funds is administered by a committee which has the authority to award grants of up to £10,000 provided they meet the criteria detailed in the Scheme. Any decisions regarding award of grants over £10,000 must be approved by Council.

Investments

- 3.6 East Lothian Council currently uses an external investment broker Investec Wealth & Investment Ltd to manage the Common Good balances investment portfolio. The fund investment balances as at 31 March 2016 are set out below alongside an indication as to the projected income level. The investment policy is to balance growth in income and capital over the longer term alongside a medium level of risk. Given the wider economic conditions particularly following 'Brexit', our Investment Fund Managers suggest that they expect future income levels to be maintained broadly in line with current income projections.

Common Good Fund	Valuation as at 31 March 2015	Projected Income 2016/17
Dunbar	24,539	711
Haddington	67,483	1,956
Musselburgh	2,674,797	77,547
North Berwick	153,371	4,446
TOTAL	2,920,190	84,660

4 POLICY IMPLICATIONS

4.1 None.

5 INTEGRATED IMPACT ASSESSMENT

5.1 The subject of this report does not affect the wellbeing of the community or have a significant impact on equality, the environment or economy.

6 RESOURCE IMPLICATIONS

6.1 Financial – as described above

6.2 Personnel - none

6.3 Other - none

7 BACKGROUND PAPERS

7.1 Council 25 August 2015 – Item 7 – Common Good Funds – Budgets 2015/16 to 2017/18

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DATE	11/8/16

Appendix 1a

Dunbar Common Good

Income & Expenditure Budget

	Actual 2015/16	Budget 2016/17	Budget 2017/18	Budget 2018/19
Expenditure				
Employees	2	2	2	2
Premises Repairs & Maintenance	18	18	18	18
Premises - Rates	0	0	0	0
Supplies & Services	3	3	3	3
Grants	4	4	4	4
Total Expenditure	27	27	27	27
Income				
Rents & Other Income	-26	-26	-26	-26
Interest / Investment Income	-1	-1	-1	-1
Total Income	-27	-27	-27	-27
Other Accounting Entries *	-36			
Net Surplus for the Year	-36	0	0	0
Common Good Fund Opening Balance	-58	-94	-94	-94
Accumulated Fund	-94	-94	-94	-94

* Accounting entries including: assets and any profit / loss on investments

Appendix 1b

Haddington Common Good

Income & Expenditure Budget

	Actual 2015/16	Budget 2016/17	Budget 2017/18	Budget 2018/19
Expenditure				
Supplies & Services	2	2	2	2
Grants	10	10	10	10
Total Expenditure	12	12	12	12
Income				
Rents & Other Income	-38	-38	-38	-38
Interest / Investment Income	-2	-2	-2	-2
Total Income	-40	-40	-40	-40
Other Accounting Entries *	-46			
Net Surplus for the Year	-74	-28	-28	-28
Common Good Fund Opening Balance	-465	-539	-567	-595
Accumulated Fund	-539	-567	-595	-623

* Accounting entries including: assets and any profit / loss on investments

Appendix 1c

Musselburgh Common Good

Income & Expenditure Budget

	Actual 2015/16	Budget 2016/17	Budget 2017/18	Budget 2018/19
Expenditure				
Premises Repairs & Maintenance	28	28	28	28
Premises - Rates	14	15	15	15
Supplies & Services	53	53	53	53
Grants	191	150	150	150
Total Expenditure	286	246	246	246
Income				
Rents & Other Income	-361	-360	-360	-360
Interest / Investment Income	-84	-78	-78	-78
Total Income	-445	-438	-438	-438
Other Accounting Entries *	-256			
Net Surplus for the Year	-415	-192	-192	-192
Common Good Fund Opening Balance	-4,165	-4,580	-4,772	-4,964
Accumulated Fund	-4,580	-4,772	-4,964	-5,156

* Accounting entries including: assets and any profit / loss on investments

Appendix 1d

North Berwick Common Good

Income & Expenditure Budget

	Actual 2015/16	Budget 2016/17	Budget 2017/18	Budget 2018/19
Expenditure				
Premises Repairs & Maintenance	2	3	3	3
Supplies & Services	3	3	3	3
Grants	0	10	10	10
Total Expenditure	5	16	16	16
Income				
Rents & Other Income	-41	-41	-41	-41
Interest / Investment Income	-5	-4	-4	-4
Total Income	-46	-45	-45	-45
Other Accounting Entries *	0			
Net Surplus for the Year	-41	-29	-29	-29
Common Good Fund Opening Balance	-270	-311	-340	-369
Accumulated Fund	-311	-340	-369	-398

* Accounting entries including: assets and any profit / loss on investments