

The Highland Council

City of Inverness Area Committee – 4 March 2014

Agenda Item	9e
Report No	CIA/11/14

Inverness Common Good Fund Financial Monitoring

Report by the Acting Head of Community and Democratic Engagement

Summary

This report presents the expenditure monitoring position for the Common Good Fund as of 31 January 2014 and the projected year end position.

1. Introduction

- 1.1 This report sets out the financial activity on the Common Good as of 31 January 2014. **Appendix 1** shows expenditure to date, the annual agreed budget, the predicted year end outturn and the predicted variance.
- 1.2 The purpose of the report is to advise Members of the anticipated financial position against the agreed budget at the end of financial year 2013/14. Where there are significant variances, the report includes commentary.
- 1.3 The report is produced in support of the Council's corporate governance process.

2. Overview

- 2.1 Further to the additional allocations made at the Committee meeting of 21 October 2013, the report shows total budgeted expenditure for the year of £2.286m to be met by income of £2.321m (including a transfer from Reserves of £0.356m). Projects totalling £1.543m are budgeted to be met from Reserves in 2013/14.

At this stage in the financial year the overall budget is projected to be £1.077m underspent.

3. Variances

- 3.1 Expenditure – A number of variances have been projected in the various expenditure headings. These are summarised as follows:
 - 3.1.1. Victorian Market – expenditure is projected to be £0.040m less than budget. This is mainly due to savings in staffing costs.
 - 3.1.2. Other Properties – an underspend of £0.030m is expected on the budget of £0.137m. This is due to lower levels of planned maintenance than anticipated.
 - 3.1.3. Civic and Conference Hospitality – the final outturn is expected to be £0.010m less than budget.
 - 3.1.4. Winter Payments – from the applications received to date and those expected to be received before deadline at the end of February, it is anticipated that expenditure on Winter Payments will not exceed £0.050m.

- 3.1.5. ICG Grants – from the grants which have been committed in 13/14 and prior years, it is anticipated that there will be an underspend of £0.275m on the £0.776m budget. This represents grants which have been committed but which will remain outstanding at the year end. The amount of £0.275m will be brought forward and included in the grants budget for 14/15, when the actual grant expenditure will be incurred.
- 3.1.6. City Promotions – the expected underspend of £0.023m relates to subvention grants which have been committed in 13/14 but will not be spent until 14/15. Like the ICG grants, this amount will be brought forward and included in the Subvention budget for 14/15. It is intended that Subvention will be shown as a separate heading in 14/15 rather than being included in City Promotions.
- 3.1.7. Central Support Charge – an overspend of £0.011m is anticipated on this expenditure heading in 13/14. At the time the 13/14 budget was set in January 2013, the budget was set at £0.047m based on the prior year budget. However, noting the increased activity of the ICGF, additional monitoring arrangements have been applied within the City Managers team and Finance. This resulted in the Finance Service increasing its annual charge to the ICGF. The actual charge in 12/13 was £0.055m, and in 13/14 it is £0.058m (this will be reflected in the February ICG monitoring statement).

3.2 Projects – The variances in projects are summarised below. Progress reports on each capital project are provided elsewhere on the Committee agenda.

- 3.2.1. Town House Boiler replacement works – expenditure is expected to be £0.198m which is £0.023m over budget.
- 3.2.2. Town House Refurbishment - there are two significant variances relating to Project costs to highlight at this stage in the financial year. Expenditure is expected to be £0.160m instead of £0.200m.
- 3.2.3. Re-wiring of Town House – expenditure is expected to be incurred in 14/15 therefore this budget will be carried forward.
- 3.2.4. Ness Islands Lighting – the full cost of the project (£0.106m) came in at £0.009m less than budgeted.
- 3.2.5. Refurbishment 1-5 Church Street - expenditure is expected to be £0.150m instead of £0.600m during the current financial year.
- 3.2.6. Victorian Market Windows Replacement – expenditure is expected to be £0.040m in 13/14 with the remainder to be incurred in 14/15.
- 3.2.7. Inverness City Arts Project – a variance of £0.100m is projected as costs in 13/14 are not expected to exceed £0.025m. The unspent budget will be carried forward to 14/15.

3.3 Members should note that the underspends on the Town House, 1-5 Church Street, Victorian Market Windows and Inverness City Arts are not savings. The overall expenditure relating to these projects is unchanged although the expenditure profiles have been altered meaning that the majority of expenditure will be incurred in 14/15. Underspends on these budgets will be carried forward to 14/15 and incorporated into the roll forward budget

Recommendation

The Committee is invited to scrutinise the financial monitoring report.

Designation: Acting Head of Community and Democratic Engagement
Date: 17 February 2014
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**MONITORING STATEMENT 2013/14
INVERNESS COMMON GOOD FUND
FOR PERIOD ENDING 31 JAN 2014**

Appendix 1

	ACTUAL YEAR TO DATE	ANNUAL BUDGET	ESTIMATED OUTTURN	ESTIMATED VARIANCE
	£000	£000	£000	£000
INCOME				
Rents				
Industrial Estates	1,207	1,392	1,392	0
Victorian Market	232	281	281	0
Town House	253	253	253	0
Other Properties	34	34	34	0
	<u>1,727</u>	<u>1,960</u>	<u>1,960</u>	<u>0</u>
Other Income				
Contribution to Grants from Reserves	0	356	356	0
Interest on Revenue Balances	0	5	5	0
TOTAL INCOME	<u>1,727</u>	<u>2,321</u>	<u>2,321</u>	
EXPENDITURE				
Industrial Estates	3	8	8	0
Victorian Market	124	193	153	-40
Town House Maintenance	73	100	100	0
Other Properties	67	137	107	-30
Civic and Conference Hospitality	94	120	110	-10
Ness Islands & Bank Maintenance	0	27	27	0
Festive Lights	0	65	65	0
Town Twinning	8	9	9	0
Winter Payments	32	106	50	-56
Inverness Common Good Fund Grants	460	776	501	-275
City Promotions	59	113	90	-23
Events & Festivals	277	320	320	0
CCTV	84	90	90	0
Property Management Fees	117	118	118	0
Central Support Charge	0	47	58	11
Other Charges	1	15	15	0
Town House Other Costs	4	11	11	0
City Arts Project	31	31	31	0
TOTAL EXPENDITURE	<u>1,434</u>	<u>2,286</u>	<u>1,863</u>	<u>-423</u>
Income Less Expenditure	<u>293</u>	<u>35</u>	<u>458</u>	<u>-423</u>
PROJECTS				
Town House Boiler Replacement Works	192	172	198	26
Town House Refurbishment	135	200	160	-40
CGF contribution to re-wiring of Town House	0	51	0	-51
Ness Islands Lighting Project	0	115	106	-9
Refurbishment 1-5 Church Street	33	600	150	-450
Streetscape Riverside Flood Prevention Project	0	200	200	0
Victorian Market Windows Replacement	0	70	40	-30
Town Clock and Steeple	35	10	10	0
Inverness City Arts Project	19	125	25	-100
TOTAL PROJECTS	<u>414</u>	<u>1,543</u>	<u>889</u>	<u>-654</u>