

KINROSS COMMON GOOD FUND COMMITTEE

7 May 2014

2013/14 & 2014/15 FINANCIAL STATEMENTS**Head of Finance & Executive Director (Environment)****PURPOSE OF REPORT**

This report details the Income and Expenditure to 4 April 2014 and the projected outturn for Financial Years 2013/14 and 2014/15.

1. BACKGROUND / MAIN ISSUES

- 1.1 This report provides the monitoring position and projected outturn for the Financial Years 2013/14 and 2014/2015.

2. PROPOSALS**2.1 Financial Statement 2013/14**

On the basis of Appendix 1, the Fund's estimated Revenue Account Balance will be £156,314.53 at 31 March 2014. This projection takes account of the receipt from the sale of Kinross Town Hall which was completed in Financial Year 2013/14.

The receipt from the sale was £200,000. However, the following deductions are required:

- one-half of the legal costs incurred in respect of the petition to the sheriff for consent to sell the property and the marketing and conveyancing costs for the transfer of the title to Simon Wilson projected at £3,500;
- estates fees projected at £2,000;
- repairs and maintenance costs totalling £21,150.07;

This has left estimated proceeds of £173,349.93 to be credited to the fund.

The £156,314.53 surplus has been included in the opening balance figure for Financial Year 2014/15.

The repairs and maintenance costs have been the subject of a number of reports dating back to February 2002 when the property was declared surplus and responsibility for it was transferred from the General Fund to the Kinross Common Good Fund following established practice. The decisions made by members after considering these reports are difficult to reconcile. The report references, and a summary of the decisions made, are set out below:

Committee	Date	Report Number	Decision Approved
Strategic Policy and Resources Committee	27 February 2002	02/121	The building was declared surplus and arrangements were to be made for its disposal, with sufficient funds being allocated for security and minimal maintenance, pending sale
Executive Sub-Committee of Strategic Policy and Resources Committee	20 November 2006	06/828	The proceeds of the sale to be paid to the Kinross Common Good without historic deductions for maintenance costs
Kinross Common Good Fund Committee	20 December 2006	06/914	The proceeds of the sale less essential maintenance costs incurred in 2006/07 to be paid to Kinross Common Good Fund
Sheriff's Decision	18 February 2008		The proceeds of sale after deduction of marketing costs and conveyancing associated with the sale and one-half of the legal costs incurred by the Council in presenting the Application to the Court to be held and administered by the Council as funds forming part of the common good of the former Burgh of Kinross
Full Council	29 September 2010	10/513	Maintenance and security costs to remain the responsibility of the Council until date of entry
Kinross Common Good Fund Committee	03 October 2012	12/452	When a property is declared surplus to operational requirements the associated property expenditure and income will accrue to the Common Good Fund from this point forward the asset will be recognised in the relevant Fund's balance sheet.

The Financial Statement in respect of the Town Hall attempts to reconcile these decisions and to make a fair, transparent and reasonable recommendation. Based on the above information and decisions made, it is proposed that the repairs and maintenance costs for Financial Year 2006/07 be deducted from the sale proceeds. This implements the decision of the Common Good Fund Committee on 20 December 2006. These costs amount to £29,283.42 but require to be adjusted to take account of the fact that the majority of legal costs of the petition to the sheriff for consent to dispose of the Hall have already been paid from the Common Good Fund account. This is inconsistent with the sheriff's decision on 18 February 2008 that only half of these costs should be paid from the Common Good Fund account. The sum to be reimbursed to the Common Good Fund account in respect of these legal costs is £2,958.40 plus £5,175.01 in respect repairs and maintenance costs that were charged to the Fund in error. This leaves a net cost to the Kinross Common Good Fund of £21,150.07 to be deducted from the sale proceeds. Prior to the above adjustments the General Fund had paid £126,575.80 since Financial Year 2003/04 on repairs and maintenance of the Town Hall.

2.2 Financial Statement 2014/15

On the basis of Appendix 2, it is anticipated that a surplus of £300 will be generated in 2014/15 and the Fund's estimated Revenue Account Balance will be £156,614.53 at 31 March 2015.

3. CONCLUSION AND RECOMMENDATIONS

3.1 The Committee is requested to:

1. Note the Kinross Common Good Fund 2013/14 Income and Expenditure to 4 April 2014 and the projected outturn to 31 March 2014.
2. Note the Kinross Common Good Fund 2014/15 Income and Expenditure to 4 April 2014 and the projected outturn to 31 March 2015.

Author(s)

Name	Designation	Contact Details
Craig Robertson	Central Services Manager	CRobertson@pkc.gov.uk 01738 475635

Approved

Name	Designation	Date
John Symon	Head of Finance	29 April 2014

If you or someone you know would like a copy of this document in another language or format, (on occasion only, a summary of the document will be provided in translation), this can be arranged by contacting *Craig Robertson 01738 475635*



Council Text Phone Number 01738 442573

1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

Strategic Implications	Yes / None
Community Plan / Single Outcome Agreement	None
Corporate Plan	Yes
Resource Implications	
Financial	Yes
Workforce	None
Asset Management (land, property, IST)	None
Assessments	
Equality Impact Assessment	Yes
Strategic Environmental Assessment	Yes
Sustainability (community, economic, environmental)	Yes
Legal and Governance	None
Risk	None
Consultation	
Internal	Yes
External	None
Communication	
Communications Plan	None

1. Strategic Implications

1.1 Corporate Plan

1.1.1 The Council's Corporate Plan 2013 – 2018 lays out five outcome focussed strategic objectives which provide clear strategic direction, inform decisions at a corporate and service level and shape resources allocation. They are as follows:

- (i) Giving every child the best start in life;
- (ii) Developing educated, responsible and informed citizens;
- (iii) Promoting a prosperous, inclusive and sustainable economy;
- (iv) Supporting people to lead independent, healthy and active lives; and
- (v) Creating a safe and sustainable place for future generations.

1.1.2 This report relates to all objectives.

2. Resource Implications

2.1 Financial

2.1.1 There are no direct financial implications arising from this report other than those reported within the body of the main report.

3. Assessments

3.1 Equality Impact Assessment

3.1.1 Under the Equality Act 2010, the Council is required to eliminate discrimination, advance equality of opportunity, and foster good relations between equality groups. Carrying out Equality Impact Assessments for plans and policies allows the Council to demonstrate that it is meeting these duties.

3.1.2 The information contained within this report has been considered under the Corporate Equalities Impact Assessment process (EqIA) and has been assessed as **not relevant** for the purposes of EqIA.

3.2 Strategic Environmental Assessment

3.2.1 The Environmental Assessment (Scotland) Act 2005 places a duty on the Council to identify and assess the environmental consequences of its proposals.

3.2.2 The information contained within this report has been considered under the Act. However, no action is required as the Act does not apply to the matters presented in this report.

3.3 Sustainability

3.3.1 Under the provisions of the Local Government in Scotland Act 2003 the Council has to discharge its duties in a way which contributes to the achievement of sustainable development. In terms of the Climate Change Act, the Council has a general duty to demonstrate its commitment to sustainability and the community, environmental and economic impacts of its actions.

3.3.2 The information contained within this report has been considered under the Act. However, no action is required as the Act does not apply to the matters presented in this report.

4. Consultation

4.1 Internal

4.1.1 The Chief Executive and the Executive Director (Environment) have been consulted in the preparation of this report.

5. BACKGROUND PAPERS

5.1 No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to any material extent in preparing the above report.

6. APPENDICES

Appendix 1 – Kinross Common Good Fund Financial Statement for period to 4 April 2014 for Financial Year 2013/14.

Appendix 2 – Kinross Common Good Fund Financial Statement for period to 4 April 2014 for Financial Year 2014/15.

**KINROSS COMMON GOOD FUND
FINANCIAL STATEMENT FOR PERIOD TO 4 APRIL 2014 FOR FINANCIAL YEAR 2013/14**

	<u>Actual to date</u>	<u>Under Consideration and Committed</u>	<u>Total</u>	<u>Projected Outturn</u>
	£	£	£	£
<u>Expenditure</u>				
Supplies and Services				
Legal Fees	£ -	£ 5,500.00	£ 5,500.00	£ 5,500.00
Repairs & Maintenance	£ 21,150.07	£ -	£ 21,150.07	£ 21,150.07
	£ 21,150.07	£ 5,500.00	£ 26,650.07	£ 26,650.07
Total Expenditure	£ 21,150.07	£ 5,500.00	£ 26,650.07	£ 26,650.07
<u>Income</u>				
Interest Earned	£ -	£ -	£ -	£ -
Proceeds of the sale of Kinross Town Hall	£ 200,000.00	£ -	£ 200,000.00	£ 200,000.00
Total Income	£ 200,000.00	£ -	£ 200,000.00	£ 200,000.00
Surplus / (Deficit)	£ 178,849.93	(£ 5,500.00)	£ 173,349.93	£ 173,349.93
Opening Balance 01/04/13	(£ 17,035.40)		(£ 17,035.40)	(£ 17,035.40)
Surplus / (Loss)				£ 173,349.93
Projected Closing Balance	£ 161,814.53	(£5,500.00)	£ 156,314.53	£ 156,314.53

KINROSS COMMON GOOD FUND
FINANCIAL STATEMENT FOR PERIOD TO 4 APRIL 2014 FOR FINANCIAL YEAR 2014/15

	<u>Actual to date</u> £	<u>Under Consideration and Committed</u> £	<u>Total</u> £	<u>Projected Outturn</u> £
<u>Expenditure</u>				
Supplies and Services	£ -	£ -	£ -	£ -
Financial Assistance	£ -	£ -	£ -	£ -
Total Expenditure	£ -	£ -	£ -	£ -
<u>Income</u>				
Interest Earned	£ -	£ -	£ -	£ 300.00
Total Income	£ -	£ -	£ -	£ 300.00
Surplus / (Deficit)	£ -	£ -	£ -	£ 300.00
Projected Opening Balance 01/04/14	£ 156,314.53		£ 156,314.53	£ 156,314.53
Surplus / (Loss)	£ -			£ 300.00
Projected Closing Balance	£ 156,314.53	£ -	£ 156,314.53	£ 156,614.53

