

WEST DUNBARTONSHIRE COUNCIL

Report by Interim Executive Director of Corporate Services Corporate and Efficient Governance Committee: 18 January 2012

Subject : Dumbarton Common Good Fund - Monitoring Report to 30 November 2011

1. Purpose

- 1.1 The purpose of this report is to provide the Committee with details of income and expenditure on the Common Good Fund to 30 November 2011.
- 1.2 The report also provides Members with an update on some other matters in relation to the Fund.

2. Background

- 2.1 The 2011/2012 budget was agreed at a meeting of the Corporate and Efficient Governance Committee on 16 February 2011.

3. Main Issues

- 3.1 A statement with the following information is attached:-

2010/2011 Final Outturn
2011/2012 Approved Budget
2011/2012 Actual Outturn to 30 November 2011
2011/2012 Projected Outturn

- 3.2 The total budgeted expenditure for 2011/12 is £269,828 as noted within the Appendix, along with a budgeted income of £258,000 resulting in a budgeted net position of a net cost of £11,828.
- 3.3 The statement shows projected income of £260,740 for the year, which is slightly better than anticipated.
- 3.4 When the projected expenditure and income are totalled, it is anticipated at present that the fund will have a net adverse balance of £9,088 this year.
- 3.5 When this balance is added to the 2010/11 balance carried forward of £159,003, it is forecast that £149,915 will be carried forward at 31 March 2012 for use in future years.
- 3.6 Members should be aware that the current balance assumes no additional payments are made from the Common Good in respect of the Older People's grant during 2011/12. This may change depending upon applications received and circumstances of individual groups.

Capital Update

- 3.7** At the Corporate and Efficient Government Committee of 23 November 2011, Members asked for an update on possible capital investment relating to the Common Good Fund.
- 3.8** Early in 2011, Dumbarton ward Members met with officers to discuss possible capital projects to be funded by the Common Good. The outcome of the meetings were:
- (a) There is no legal restrictions to suggest that the Dumbarton Common Good Fund cannot borrow under the prudential regime;
 - (b) It was agreed that prior to any capital borrowing taking place, consideration would have to be given to ongoing costs of maintaining the asset created with the spend;
 - (c) It was questioned if the Council should apply for trust status for the Common Good Fund. This may allow access to potential investment which is not available to the Council. However, legally there may be extreme difficulties in the Common Good setting itself up as a trust. A trust is a different legal body from the Council, and the Council would have to transfer common good assets to it. This would require to be sanctioned by the sheriff court and would likely be opposed. If the trust had charitable status (and that would be a key reason for a trust) then if it was wound up, the assets would have to go to a body with similar charitable objects, not back to the Council.
 - (d) Any capital spend could be funded in two ways:
 - One off spend from balances held. The availability of this would depend on the cost of the project(s) picked; and
 - By prudential borrowing, which would require repaid over a period of time – determined by the type of project(s) picked.
 - (e) Any prudential borrowing write off costs (loan charges) would be similar to that of the Council – i.e. taken as an average of 18years write off, £10,000 would give £100,000 investment;
 - (f) It was agreed that prior to any decision being made, stakeholders (i.e. voluntary and community groups, interested parties) should be consulted and any ideas from these groups should be considered. This could be achieved by writing to, or meeting with, identified interested groups and relevant information (questionnaire) being placed on the Council's website. No relevant parties have been identified.
 - (g) Ideas which came forward at that time included:
 - Sporting changing facilities on Dumbarton Common;
 - Dumbarton Castle Lights;
 - Play park areas;
 - Investment in community run services/projects; and
 - Safety measures in specified areas e.g. lighting at Skatepark.

(h) The next steps would be to:

- identify a number of community groups/representatives to request ideas for investment;
- placing appropriate information on the Council's website, requesting feedback; thereafter costing and appraising the options prior to reporting back to Committee, with specific recommendations.

Bellsmyre Digital Group Update

3.9 Previously, Members requested an update position of Bellsmyre Digital once the outcome to the Bellsmyre Trust Lottery Grant Application was known. The Trust has recently been awarded a significant sum of funds from the Big Lottery Fund. However, at this time Bellsmyre Digital do not know how (or if) this is going to benefit the Group directly.

3.10 At this point, Bellsmyre Digital has advised that the grant funding previously awarded from the Common Good at this Committee on 22 June 2011 will allow the group to continue in the short term, pending further information from the Bellsmyre Trust.

4. People Implications

4.1 There are no people implications.

5. Financial Implications

5.1 The current projection of expenditure to be paid in 2011/12 is £269,828, with £260,740 income anticipated. This leaves a forecast net decrease to the Common Good Fund in 2011/12 of £9,088, resulting in a balance carried forward into 2012/13 of £149,915. This balance assumes no additional spend is identified in relation to the Older People's grant funding.

5.2 Any future capital spend identified will have an impact on future budgets of the Common Good. Until projects are identified, recommended and approved, the impact of which will be unknown.

5.3 The Common Good draft revenue budget 2012/13 will be presented for Members' approval at Committee in March 2012.

6. Risk Analysis

6.1 No additional risk analysis was required at this time.

7. Equalities Impact Assessment

7.1 No issues were identified in a screening for potential equality impact of this report.

8. Strategic Assessment

- 8.1** The report is for noting and, therefore, does not directly affect any of the strategic priorities.
- 8.2** Any future capital spend will be assessed on the impact of the Strategic Priorities, as appropriate within the Dumbarton Common Good Fund.

9. Conclusions and Recommendations

- 9.1** A net decrease to the Common Good Fund balance of £9,088 is anticipated during 2011/12, leaving an estimated balance available at 31 March 2012 of £149,915.
- 9.2** The Committee is invited to:
- (a) consider the Statement of Income and Expenditure to 30 November 2011;
 - (b) note that it is not recommended that the Common Good should consider applying for Trust Status;
 - (c) identify community groups/representatives to request ideas for investment;
 - (d) agree that information be placed on the internet, generally requesting ideas and feedback on possible projects; and
 - (e) note that a report will come back to Committee at a later date during 2012/13, identifying and detailing possible capital projects (and funding source) with specific recommendations thereon.

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Date: 21 December 2011

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- Appendix:** Statement of Income and Expenditure
- Background Papers:** Period 8 ledger print
Approved Budget 2011/12
Minutes Corporate and Efficient Governance Committee
- Wards Affected:** Dumbarton Wards only