
To: Finance, Resources and Customer Services Policy Board

On: 30 January 2019

Report by: Director of Finance and Resources

Heading: Paisley and Renfrew Common Good Fund Budgets 2019/20

1. Summary

- 1.1 The level of funding available to disburse annually from the Paisley and Renfrew Common Good Funds is dependent upon the income received by the Funds during the year. For each Fund, income is derived from its respective investment portfolio and is received in the form of property rental payments, interest payments or dividends, with the latter two being particularly sensitive to financial market fluctuations.
- 1.2 The level of income available for 2019/20 has been estimated along with existing annual commitments and assessments made of the affordability of existing funds delegated to Local Partnerships on an annual basis.
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2. Recommendations

- 2.1 The Board is asked to:
- i) **Approve** the 2019/20 budget allocations to Local Partnerships as follows:

Common Good Fund	Local Partnership Area	Budget 2019/20
Renfrew	Renfrew	£67,360
Paisley	Paisley East, Ralston, Hawkhead / Lochfield, Hunterhill and Charleston	£11,100
Paisley	Paisley North, Gallowhill, Ferguslie, Paisley West and Central	£9,750
Paisley	Foxbar / Brediland and Glenburn	£9,150

- ii) **Approve** the continuing funding of recurring projects as outlined in Appendix 1.
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3. **Background**

- 3.1 The Common Good Funds of both Paisley and Renfrew are used each financial year to fund ongoing projects and commitments made by the Finance, Resources and Customer Services Policy Board. In addition, an annual allocation is made to relevant Local Partnerships, who have delegated authority to disburse grants to local organisations from whom they receive bids for funding and / or to use the funding themselves to support appropriate projects.
- 3.2 An element of the funding allocation within Renfrew Common Good Fund is provided to allow the Cherrie Centre to pay the Living Wage to its staff. The Living Wage rate has increased from £8.75 to £9.00 per hour and the budget has been increased to reflect this.
- 3.3 Local Partnerships replace the former Local Area Committees, however boundaries are slightly different, so a new allocation basis had to be considered for the Paisley Common Good Fund. Population numbers per Local Partnership area have been used to determine the split of £30,000 of allocated funds; this can be seen in Appendix 1.
- 3.4 Income received by the Common Good Funds is derived from rental income from Common Good property and, principally, from dividend income and interest payments. Subject to maintaining tenancies, rental income remains fairly stable and predictable on a yearly basis. However, in terms of investment income from dividends and interest, it is necessary to make an informed estimate each year of the income that will be available to the Common Good Funds in the following year.
- 3.5 Rental income to both Common Good Funds is expected to remain unchanged in 2019/20.
- 3.6 Additional funding of £10,000 from Renfrew Common Good Fund for the Renfrew Christmas Lights switch-on event was approved by the Finance, Resources and Customer Services Policy Board on 5 September 2018 and this has been built into future years' budgets. A review of events funding has also highlighted that core council funding available to support Galas is utilised in both Barshaw and Renfrew, with the result that the historic practice of Common Good funding being allocated solely from Renfrew is no longer equitable. It is therefore proposed that funding is split equally between both Common Good Funds.
- 3.7 In recent years, investment income has held up well in a difficult financial market, exceeding the targets set for the Funds' investment managers.

However, a degree of caution has been applied to income budgets to reflect the continued uncertainty in the markets and the anticipated sustainability of the current level of investment income, which continues to be monitored closely by both officers and the Investment Review Board.

- 3.8 Taking these income projections into account, a forecast Income and Expenditure Statement for each Common Good Fund has been prepared on a cash basis (i.e. excluding non-cash movements, such as depreciation) and is attached for Members' consideration. These forecasts presume that in-year expenditure will not exceed income. There is a requirement to ensure that the ongoing commitments of each Common Good Fund remain affordable and sustainable.
- 3.9 It should be noted by Members that the Annual Accounts for the Common Good Funds are prepared on an accruals basis and therefore will include non-cash items, such as depreciation and unrealised gains or losses on the market value of investments. This means that the surplus or deficit published in the Annual Accounts will differ from the Funds' cash position and could result, for example, in an in-year deficit being reported in the Annual Accounts despite no cash losses being made.

Implications of the Report

1. **Financial** – The proposed budgeted allocations will ensure the general principle of only spending the income available each year.
2. **HR & Organisational Development** – None.
3. **Community Planning** –
Our Renfrewshire is well – Many of the projects funded by Local Partnerships contribute to the promotion of more active pursuits for all age groups.
Our Renfrewshire is thriving - The funding allocated from the Common Good Funds supports local community groups and projects.
Our Renfrewshire is safe – The community projects funded by Local Partnerships, as well as recurring funding for events and community services supports communities to be safer and stronger.
4. **Legal** – None.
5. **Property/Assets** – None.
6. **Information Technology** – None.
7. **Equality & Human Rights** – The recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored and the results of the assessment will be published on the Council's website.

- 8. **Health & Safety** – None.
 - 9. **Procurement** – None.
 - 10. **Risk** – There is a risk investment income will not be realised as forecast, however this risk will be monitored through regular discussion with the Council's investment manager and adviser.
 - 11. **Privacy Impact** – None.
 - 12. **COSLA Policy Position** – None.
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Background Papers

Renfrew Light Switch-on Report, Finance and Resources Policy Board, 5 September 2018

Author

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Renfrew Common Good - Income & Expenditure Forecast

	Approved 2018/19 £	Proposed 2019/20 £
Estimated Net Annual Income available:		
Income receivable from Loans Fund	-15,000	-15,000
Investment Income	-400,000	-400,000
Property Rental Income	-260,000	-260,000
	-675,000	-675,000
Less costs:		
Investment Management Fees	47,000	52,000
Council Administration Fee	40,000	44,000
External Audit Fees	2,300	2,300
Property Costs	25,000	25,000
Total Available for Disbursement	-560,700	-551,700
Cost of Recurring Projects approved in prior years:		
Christmas lights: operating costs	15,900	15,900
Christmas lights: switch-on event	0	10,000
Repair to War Memorial	285	285
Repair to Public Clocks	205	205
Maintenance Benches - Robertson Park	640	640
Pets Corner - Robertson Park	6,460	6,460
Cherrie Centre - Out of School Care	41,530	41,530
Cherrie Centre - Living Wage subsidy	34,200	37,800
Renfrew Gala Week	10,000	5,000
Renfrew Town Hall - lifecycle maintenance	8,000	8,000
CCTV Operations	11,000	11,000
Total Cost of Recurring Projects	128,220	136,820
LAC Allocations		
Renfrew & Gallowhill LAC	67,360	
Local Partnership Allocations		
Renfrew	0	67,360
(Surplus)/Deficit on cash basis	-365,120	-347,520

Note:

Additional recurring funding of £10,000 for the Renfrew Christmas Lights switch-on event was approved by the Finance and Resources Policy Board on 5 September 2018.

Paisley Common Good - Income & Expenditure Forecast

	Approved 2018/19 £	Proposed 2019/20 £
Estimated Net Annual Income available:		
Income receivable from Loans Fund	-4,000	-4,000
Investment Income	-120,000	-120,000
Property Rental Income	-48,800	-48,800
	-172,800	-172,800
Less costs:		
Investment Management Fees	14,000	17,000
Council Administration Fee	13,000	14,500
External Audit Fees	2,300	2,300
Property Costs	5,500	5,500
Total Available for Disbursement	-138,000	-133,500
Cost of Recurring Projects approved in prior years:		
Christmas lights	52,340	52,340
Repair to War Memorial	430	430
Fireworks Display	5,000	5,000
Barshaw Gala	0	5,000
Nature Corner - Barshaw Park	15,680	15,680
CCTV Operations	18,600	18,600
Total Cost of Recurring Projects	92,050	97,050
Local Area Committee Allocations		
Renfrew & Gallowhill LAC	2,000	0
Paisley North LAC	13,000	0
Paisley South LAC	15,000	0
Local Partnership Allocations		
Paisley East, Ralston, Hawkhead/Lochfield, Hunterhill and Charleston	0	11,100
Paisley North, Gallowhill, Ferguslie, Paisley West and Central	0	9,750
Foxbar / Brediland and Glenburn	0	9,150
	30,000	30,000
(Surplus)/Deficit on cash basis	-15,950	-6,450

Note:

Local Partnership allocations are based on population per area, as follows:

Local Partnership Allocations	Population per area:		Budget 2019/20
Paisley East, Ralston, Hawkhead / Lochfield, Hunterhill and Charleston	28,220	37.0%	11,100
Paisley North, Gallowhill, Ferguslie, Paisley West and Central	24,750	32.5%	9,750
Foxbar / Brediland and Glenburn	23,260	30.5%	9,150
Total	76,230	100.0%	30,000