

Called-in Decisions

Resource Management and Audit Scrutiny Panel

27 April 2006

Purpose of report

- 1 To consider decisions which have been called in from the Executive of the Council.

Executive of the Council – 28 February and 14 March 2006

- 2 The following decisions have been called in from the Executive on a requisition by 5 Members.
- 3 **Annual Report on the City's Common Good Fund for the Year Ended 31 March 2005** – Details are attached at Appendix 1.

Councillor Dixon (Lead Signatory) has given the following reason for calling in this decision:

“To explore the application of the Common Good Fund surplus.”

- 4 **Land Adjacent to Fountain Brewery, Brandfield Street, Fountainbridge and Land Adjacent to Morrison Crescent, Fountainbridge** – Details are attached at Appendix 2.

Councillor Shiels (Lead Signatory) has given the following reason for calling in this decision:

“To further scrutinise reasons for agreeing to sell the land to the developers for £1.65m, as opposed to the previously agreed price of £1.9m.”

- 5 **Land to Rear of Festival Theatre** – Details are attached at Appendix 3.

Councillor Aldridge (Lead Signatory) has given the following reason for calling in this decision:

“To consider whether the constraints might prejudice the project.”

6 Edinburgh Regeneration Outcomes Agreement – Funding Allocations –
Details are attached at Appendix 4.

Councillor Paisley (Lead Signatory) has given the following reason for calling in this decision:

“To prevent duplication of expenditure.”

- 7 A Scrutiny Panel may only continue consideration of a called-in decision to a further meeting with the consent of the Executive or relevant Executive Member. It is expected that the Scrutiny Panel Convener and the relevant Executive Member will reach agreement on the time allowed to scrutinise called-in decisions. But the minimum time will always be at least one full scrutiny cycle.

For Decision

- 8 To review the decision(s) of the Executive and
- to submit comments or recommendations to the Executive and/or
 - to let the decision be implemented.
- 9 Where the Panel agrees to let the decision be implemented on a majority vote, the matter may be called up to the full Council if not less than a quarter of the members present so require.



John Sturt
Council Secretary

Appendices	<p>Appendix 1 – Extract from Executive draft minute of 28 February 2006 and Report No E/438/05-06/CS by the Director of Corporate Services.</p> <p>Appendix 2 – Extract from Executive draft minute of 14 March 2006 and Report No E/481/05-06/CD by the Director of City Development.</p> <p>Appendix 3 – Extract from Executive draft minute of 14 March 2006 and Joint Report No E/471/05-06/CD by the Directors of City Development and Culture and Leisure.</p> <p>Appendix 4 – Extract from Executive draft minute of 14 March 2006, Report No E/447/05-06/CS by the Director of Corporate Services and Briefing Note prepared by the Department of Children and Families</p>
Contact/Tel	Donald Kennedy 529 4243
Wards affected	See Appendices
Background Papers	Capital City Government – The New Arrangements approved by Council on 18 May 2000

EXECUTIVE OF THE COUNCIL – 28 FEBRUARY 2006

Minute Item No 24

24 Annual Report on the City's Common Good Fund for the Year Ended 31 March 2005 (Agenda item number 26)

The annual report on the City's Common Good Fund was presented, including a summary of assets held on the fund together with revenue account and balance sheet for the year ending 31 March 2005.

Decision

To note the report by the Director of Corporate Services.

(Reference – report no E/438/05-06/CS by the Director of Corporate Services, submitted.)

Note: The above item was called in to the Resource Management and Audit Scrutiny Panel of 16 March 2006.

Annual Report on the City's Common Good Fund For the Year Ended 31 March 2005

Executive of the Council

28 February 2006

Purpose of report

- 1 To provide an annual report on the City's Common Good Fund.

Main Report

- 2 The Common Good Fund stands separate from the rating accounts and has been described as "the ancient patrimony of the community". It originally came from grants by the Sovereigns of Scotland and the present Fund comprises the Funds of the former City and Royal Burgh of Edinburgh and the Royal Burgh of South Queensferry, among others.
- 3 The Local Government etc (Scotland) Act 1994 transferred property held as part of the Common Good to the new Council. The Act confirmed that the Council had to have regard to the interests of all the inhabitants of its area when administering the property.
- 4 A summary of the assets held on the Common Good Fund, the Revenue Account and the Balance Sheet to the year ending 31 March 2005 is attached at Appendix 1 to this report.

Income

- 6 Funds on the Common Good are raised from the rents received from some of the properties it owns plus interest on the Fund's capital.


Expenditure

- 7 The income from the Fund is used to carry out small repairs and maintain the property.

- 8 The two principal areas maintained by the Fund are the City Observatory and South Queensferry Harbour.
- 9 The Council's former Scheme of Grants to Improve Access to Public Buildings for People with Disabilities was funded from 50% of the annual surplus on the Common Good Fund. In recent years surplus income was not enough to meet the demand for grants. The Executive, therefore, terminated the scheme and asked for a report on how the Council might meet future funding requests. A reserve balance remains in the Common Good Fund to meet outstanding commitments.

Recommendation

- 10 That the Executive note the report.


Jim Inch
Director of Corporate Services
14/02/06.

Appendices	Appendix 1 – Assets held on the Common Good Fund, Revenue Account and Balance Sheet for 2004-2005	
Contact/tel	Lesley Birrell/Lesley Arbuckle, Committee Services e-mail: lesley.birrell@edinburgh.gov.uk lesley.arbuckle@edinburgh.gov.uk	Tel: 529 4240
Wards affected	City Wide	
Background Papers	None	

COMMON GOOD FUND

Year ended 31 March 2005

The Common Good Fund stands separate from the Council's accounts and has been described as "the ancient patrimony of the community". It was originally derived from the grants by the Sovereigns of Scotland at various times. The present fund is an amalgam of the funds of the City and Royal Burgh of Edinburgh and the Royal Burgh of South Queensferry.

A report on the (Edinburgh) Common Good prepared by the Town Clerk and City Chamberlain in 1905 set out the historical background of the fund and listed its then assets in some detail. The report also stated a "General Principle" that the Fund should be administered "for the purpose of upholding the dignity and suitable hospitality of the City; performing the duties incumbent upon a Royal Burgh maintaining the municipal establishment and managing the municipal affairs; vindicating or extending the corporate rights of the community and defending its interests; acquiring additional land or property for the corporate benefit, or improving existing corporation property, and generally for any purpose which in the bona fide judgement of the Town Council is for the good of the community as a whole, or in which the inhabitants at large may share, as distinct from the separate interests or benefit of any particular individual or class, however deserving or needy. The purpose must be limited to those which concern the City and its interests"

The Local Government etc. (Scotland) Act 1994 confirms this interpretation that use of the Fund shall "... have regard to the interests of all the inhabitants" of the area.

Several years ago the Council agreed, as a matter of policy, that, in the event of the Fund making a surplus, 50% of the annual surplus be added to the fund and the remaining 50% be made available in the form of grants to improve access to public buildings for people with disabilities.

The market value of investments at 31 March 2005 was £nil (2004 £nil).

COMMON GOOD

Year ended 31 March 2005

2003/2004	Revenue Account	£'000
	133 Expenditure	136
	-177 Income	-192
	<u>-44 Surplus for Year</u>	<u>-56</u>

Balance Sheet at 31 March 2005

1,993 Fixed Assets	1,993
1 Investments	1
1,433 Current Assets	1,459
<u>3,427 Net Assets</u>	<u>3,453</u>

Represented by:

1,987 Fixed Asset Restatement Value	1,987
-15 Capital financing reserve	-15
1,413 Common Good Fund	1,443
42 Disabled Access Grants Reserve	38
<u>3,427</u>	<u>3,453</u>

Notes to the Accounts

1.	Fixed Assets	Community Assets £000	Investment Properties £000	Total £000
1.1	Movement of Fixed Assets			
	Balance per Balance Sheet 31 March 2004	1,319	674	1,993
	Revaluations and Restatements	<u>0</u>	<u>0</u>	<u>0</u>
	Balance per Balance Sheet 31 March 2005	<u>1,319</u>	<u>674</u>	<u>1,993</u>
1.2	Information on Assets Held			
	The fixed assets owned by the Common Good Fund include the following approximate numbers at 31 March 2005:-			
	Community Assets -			
	Monuments and Other Activities	2		
	Parks and Open Spaces	6		
	Non Operational Assets -			
	Shops, Industrial Units and other Commercial	18		
1.3	Fixed Asset Restatement Account	£000		
	Balance as at 1 April 2004	1,987		
	Revaluation and Restatement	<u>0</u>		
	Balance as at 31 March 2005	<u>1,987</u>		

COMMON GOOD FUND

2003/2004	REVENUE ACCOUNT	2004/2005
£	Expenditure	£
13	<i>Property Costs</i>	14
	<i>Rates</i>	
	<i>Other</i>	
1,355	City Observatory	1,037
883	South Queensferry Harbour	952
33,123	Grants for Disabled Access	32,500
92,176	Capital Charges	95,710
<u>5,944</u>	Central Support Costs	<u>6,155</u>
133,494		136,368
	Income	
	3,729 Rents	3,490
	<u>48,033</u> Investment Income	<u>60,984</u>
	51,762	64,474
	92,175 Capital Charges transferred to Asset Management Revenue A	95,710
<u>177,060</u>	<u>33,123</u> Transfer from Disabled Access Grants Reserve	<u>192,684</u>
<u>43,566</u>	Surplus for Year	<u>56,316</u>
	Whereof:	
21,783	Added to Common Good Fund	28,158
21,783	Transferred to Disabled Access Grants Reserve	28,158
<u>43,566</u>		<u>56,316</u>

31st March 2004	BALANCE SHEET	31st March 2005
	Operational Assets	
1,318,504	Community Assets	1,318,504
	Non-Operational Assets	
674,457	Investment Properties	674,457
<u>1,992,961</u>		<u>1,992,961</u>
852	Investments (at cost)	852
	Current Assets	
1,433,647	Balance with Loans Fund	1,472,363
<u>3,427,460</u>	NET ASSETS	<u>3,466,176</u>
	Represented by :	
1,986,663	Fixed Asset Restatement Reserve	1,986,663
<u>-14,900</u>	Disposals/Revaluations	<u>0</u>
1,971,763		1,986,663
	Common Good Fund	
	1,392,192 Fund at start of year	1,413,975
1,413,975	<u>21,783</u> Surplus for year	<u>28,158</u>
	Disabled Access Grants Reserve	
	53,062 Balance at start of year	41,722
	21,783 Surplus for year	28,158
<u>41,722</u>	<u>-33,123</u> Transferred to Revenue Account	<u>-32,500</u>
<u>3,427,460</u>		<u>37,380</u>
		<u>3,466,176</u>

Note: At 31st March 2005, grants amounting to £31,185 were approved but unpaid (2004 £25,158)

Notes to the Accounts

(A) Movement of Fixed Assets 2003/2004

	Community Assets £	Investment Properties £	Total £
Balance per Balance Sheet 31st March 2004	1,318,504	674,457	1,992,961
Revaluation and Restatement	<u>0</u>	<u>0</u>	<u>0</u>
Balance per Balance Sheet 31st March 2005	<u>1,318,504</u>	<u>674,457</u>	<u>1,992,961</u>

(B) Information on Assets Held:-

The Fixed assets owned by the Common Good Fund include the following approximate numbers at 31st March 2005

Community Assets -

Monuments and Other Activities	2
Parks and Open Spaces	6
Non Operational Assets -	
Shops, Industrial Units and other Commercial Lettings	18

(C) Fixed Asset Resatement Reserve

Balance at 1 April 2004	1,986,663
Revaluation and Restatement	<u>0</u>
Balance as at 31st March 2005	<u>1,986,663</u>

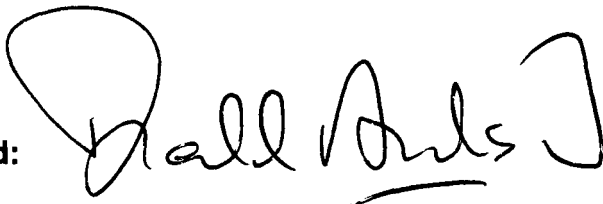
**Agenda item: Annual Report on the City's Common Good Fund
For the Year Ended 31 March 2006**

Report title:

In accordance with the Council's Standing Orders, the contents of this report have been noted by the appropriate Executive Member.

Without prejudice to the integrity of the report, and the recommendations contained within it, the Executive Member expresses his/her own views as follows:

Signed:



Date:

17/2/06.

For information – Standing Order 57(1) states:

“Heads of Department will prepare reports, with professional advice and recommendations, on matters requiring decisions by the Executive:

- a report seeking decisions on matters of corporate strategy, corporate policy and corporate projects will be submitted direct to the Executive
- a report seeking decisions on matters relating to the special responsibilities allocated to an individual member of the Executive will be submitted, in the first instance, to that member. The member will add his or her own recommendation to it before submission to the Executive. Where the Executive member disagrees with the advice and the recommendation of the officers, the Executive member will also state his or her reasons.”