

EAST AYRSHIRE COUNCIL

POLICY AND RESOURCES COMMITTEE –4 MAY 2000

COMMON GOOD FUNDS

Report by Director of Finance

1 PURPOSE OF REPORT

1.1 To inform members of the current balances held by the Common Good Funds administered by the Council, and to seek approval of the proposed Committee mechanism for accessing these funds for suitable Council purposes.

2 BACKGROUND INFORMATION

2.1 The Common Good Funds of the former Burgh's of Kilmarnock, Stewarton, Darvel, Newmilns, Galston and Cumnock are held by the Council for the good of the inhabitants of these areas, and should be administered for their benefit.

3 CURRENT POSITION

3.1 The current fund balances are summarised in the following table.

	Darvel	Cumnock	Kilmarnock	Newmilns	Stewarton	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 April 1999:						
Capital	-	1	153	-	-	154
Revenue	1	1	14	2	1	19
Total	1	2	167	2	1	173
Expend' During Year						
Capital	-	-	-	-	-	-
Revenue	-	-	(19)	-	-	(19)
Income During Year						
Capital	-	-	-	-	-	-
Revenue	-	-	8	-	-	8
Balances at 31.3.2000						
Capital	-	1	153	-	-	154
Revenue	1	1	3	2	1	8
Total	1	2	156	2	1	162

4 USES OF COMMON GOOD FUND

4.1 Local Authorities have very wide discretion as to the application of Common Good Funds. Spending powers are not restricted by statutory constraints in their application. These funds may be applied for a wide variety of purposes, providing that what is proposed is considered by the Council to be in the interest of the community. The only legal requirement is that the use of the common good funds must be a proper and honest act of administration and must not be contrary to public policy.

4.2 To date expenditure by this Council from the Common Good Funds has been made from the Kilmarnock Fund and has been incurred in supporting the provision of Christmas lights within Kilmarnock. This support amounted to £19,000 in 1998/99 and again £19,000 in 1999/00.

- 4.3 It is important that there be a recognised procedure for accessing and utilising Common Good Funds and that fiscal control of the Fund, and the approval and monitoring of expenditure are open and transparent.

5 PROCEDURE FOR ACCESSING COMMON GOOD FUND

- 5.1 In terms of the Council's Scheme of Delegations, the Policy and Resources Committee of the Council is the Committee charged with the allocation, programming, monitoring and control of the Council's expenditure.
- 5.2 It is proposed that applications to utilise the Common Goods Fund be referred firstly to the Policy and Resources Committee for consideration, with recommendations being made to the Council.

6 FINANCIAL AND POLICY IMPLICATIONS

- 6.1 Nil.

7 LEGAL IMPLICATIONS

- 7.1 The expenditure to date from the Common Good Fund, in being accessed on two of occasions for the provision of Christmas lights within Kilmarnock, is considered to be a proper and lawful application of the Common Good Fund.
- 7.2 The Policy and Resources Committee, being the Committee charged with the responsibility for the application, control and management of Council budgets is considered to be the appropriate Committee of the Council to deal with the application of the Common Good Fund in the first instance.

8 RECOMMENDATIONS

- 8.1 It is recommended that the Committee
- i) Agree the proposed procedure for accessing funds, as detailed at 5.2 above.
 - ii) Remit to the Director of Corporate Services to incorporate the reference to the Common Good Fund within the remit of the Policy and Resources Committee in the Council's Scheme of Delegation.
 - ii) Otherwise note the content of the report.

Alex McPhee
Director of Finance

TMcH/JB
25 April 2000

AGENDA