



Glasgow City Council

Finance and Audit Scrutiny Committee

Report by Director of Financial and Business Services

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Item 3

26th February 2025

Common Good Fund: Budget 2025-26

Purpose of Report:

To present the draft Common Good Fund budget in 2025-26.

Recommendations:

It is recommended that the Committee:

- Notes the proposed budget for 2025-26 assuming no change to the existing use of the Common Good Fund.
- Agrees that the proposed budget for 2025-26 is recommended to the City Administration Committee.

Ward No(s):

Citywide: ✓

Local member(s) advised: Yes ☐ No ☐

consulted: Yes ☐ No ☐

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1. Introduction

- 1.1 On 7 May 2014, the Finance and Audit Scrutiny Committee agreed to a review of the existing Common Good Policy arrangements. On 19 November 2014, the Finance and Audit Scrutiny Committee noted the revised policy and agreed to recommend this policy to the Executive Committee. This policy was approved by the Executive Committee on the 5 February 2015.
- 1.2 The Finance and Audit Scrutiny Committee will consider the budget annually and make recommendations to the Executive Committee for their consideration for the following year. The Executive Committee agreed as part of the 2014-15 budget, that the budget objective will be to balance the revenue budget without any requirement for a draw from the capital of the Common Good Fund for ongoing operational expenditure, without impinging on the ability of the Council to offer civic hospitality and for this to be achieved during the term of this Council.
- 1.3 The purpose of this report is to review and agree the use of the Common Good Fund budget in 2025-26.

2. Use of Common Good Fund

- 2.1 The Common Good is the ancient patrimony of the former burghs with additions, which have taken place from time to time. The most concise statement of the administration of the Common Good Fund is contained in a judgement by Lord Kyllachy – “The Common Good is corporate property and falls as such to be administered by the Council – and applied by them for the benefit of the community in such manner as, and using reasonable judgement as, they think proper”.
- 2.2 Currently the Common Good Fund primarily meets the cost of civic ceremonies and hospitality. However, the funds could reasonably be applied to a wide range of uses as long as they meet the criteria outlined in 2.1. The budget has been prepared on the basis of use in 2024-25 and taking into account the decision of the Executive Committee as outlined in paragraph 1.2 above.

3. Budgeting for Common Good Expenditure

- 3.1 The Policy reflects the continued commitment to maintain the overall capital value of the Common Good Fund over time. Since March 2009 the Fund has grown from £13.4 million to £20.9 million at March 2024.
- 3.2 During 2023-24, the net worth of the fund decreased by £2.045 million. This was mainly due to a reduction in the value of investments of £0.967 million and £1.078 million net expenditure from the revenue budget, this includes the £1.000 million contribution towards Glasgow 850 as approved by the City Administration Committee on 16 November 2023.
- 3.3 In line with the budget objective shown at section 1.2 above, it is anticipated that the total income expected to be available in 2025-26 from investments, commission and rents will be sufficient to cover the total expenditure.

- 3.4 At period 10 2024-25, the level of Civic Hospitality budget uncommitted for the year is £89,015, indicating a likely underspend on this budget during 2024-25.
- 3.5 Appendix 1 includes a proposed draft budget for 2025-26. This reflects the Executive Committee decision by including a prudent estimate of the expected realised gain on investments. If in any year, the net expenditure in the Fund results in an overall net expenditure position, then the expectation would be that the budget would be set to recover the value of the Fund over the medium term. Equally, this approach may enable the Fund to continue to grow over time, for example if realised or unrealised investment gains exceed those in the approved budget.

4. Budget Changes

- 4.1 It is proposed that Gross Expenditure increases to £806,000 with Civic Hospitality increasing to £438,000, to reflect inflationary cost increases. The miscellaneous charges comprise annual fees of approximately £170,000 to Ruffer, the Common Good portfolio managers; purchase of services, food provisions, and stationery of £2,700 and the cost of accountancy support and audit fee to the Common Good of £23,300. In addition, the ongoing cost of legal support in respect of the comprehensive review of title deeds of £77,000 is included in miscellaneous charges.
- 4.2 It is proposed that the property costs budget is increased to £95,000 due to inflationary cost increases. This revised estimate will ensure there is a provision for the necessary refurbishment costs and water charges of unoccupied properties.
- 4.3 The budget for commission income received from Glasgow City Council's Financial Services in direct relation to Civic Hospitality has remained £43,000. The rental income has increased to £263,000 and Investment Income & Realised Gains remains at £500,000, reflecting a prudent estimate of the expected return on investments.

5. Policy and Accounting Guidance

- 5.1 On the 5 February 2015 the Council's Executive Committee approved the current policy in relation to common good, [Common Good Fund - Revised policy on Common Good](#). This policy outlined the council's approach to the development and maintenance of the common good asset register and the management and accounting arrangements of the common good fund. This policy has been applied to the operation of the common good since this time and been subject to regular reports to committee and been reflected in the council's annual accounts and audit.
- 5.2 In May 2023, the Local Authority Scotland Accounts Advisory Committee (LASAAC) introduced revised guidance in relation to Accounting for the Common Good Fund, [LASAAC Common Good Fund Guidance](#). The revised LASAAC guidance noted builds upon previous accounting guidance. The provisions within the current policy are aligned to this guidance and require no amendments. The council will continue to produce annual accounts and annual estimates in line with these provisions.

6. Policy and Resource Implications

Resource Implications:

<i>Financial:</i>	Financial Implications are outlined in the paragraphs above
<i>Legal:</i>	No legal implications
<i>Personnel:</i>	No personnel implications
<i>Procurement:</i>	No procurement implications
Council Strategic Plan:	Common Good impacts positively on the mission to Support Glasgow to be a city that is active and culturally vibrant

Equality and Socio-Economic Impacts:

<i>Does the proposal support the Council's Equality Outcomes 2021-25? Please specify.</i>	No specific equality related outcomes
<i>What are the potential equality impacts as a result of this report?</i>	No significant impact, Common Good is administered by the Council and applied for the benefit of the community
<i>Please highlight if the policy/proposal will help address socio-economic disadvantage.</i>	

Climate Impacts:

<i>Does the proposal support any Climate Plan actions? Please specify:</i>	No direct support
<i>What are the potential climate impacts as a result of this proposal?</i>	Impact deemed as neutral
<i>Will the proposal contribute to</i>	No specific contribution

*Glasgow's net zero
carbon target?*

Privacy and Data

Protection Impacts: No direct impacts

7. Recommendations

7.1 It is recommended that the Committee:

- Notes the proposed budget for 2025-26 assuming no change to the existing use of the Common Good Fund.
- Agrees that the draft budget for 2025-26 is recommended to the City Administration Committee.

Appendix 1

GLASGOW CITY COUNCIL COMMON GOOD DRAFT BUDGET FOR 2025/26

EXPENDITURE

Budget for 2024/25		Draft Budget for 2025/26
£000		£000
437	Civic Hospitality	438
93	Property Costs	95
268	Miscellaneous Charges	273
<hr/> 798	TOTAL GROSS EXPENDITURE	<hr/> 806

INCOME

Budget for 2024/25		Draft Budget for 2025/26
£000		£000
500	Investment Income & Realised Gains	500
43	Commission	43
255	Rental Income	263
<hr/> 798	TOTAL DEPARTMENTAL INCOME	<hr/> 806
<hr/> 0	DIRECT NET INCOME	<hr/> 0