

## **Item: 11**

**Policy and Resources Committee: 19 February 2019.**

**Orkney Memorial Fund.**

**Report by Head of Finance.**

### **1. Purpose of Report**

To consider uprating the guideline levels of assistance associated with disbursements from the Orkney Memorial Fund in line with Consumer Price Index.

### **2. Recommendations**

The Committee is invited to note:

#### **2.1.**

That, in 2010, the Council resolved that, from financial year 2011 to 2012 onwards, the levels of assistance, to be granted from the Orkney Memorial Fund, be increased in line with the uprating factors determined annually as part of the budget setting process.

#### **2.2.**

That, in practice, the levels of assistance, to be granted from the Orkney Memorial Fund, are uprated in accordance with the inflation factor applied to supplies and services through the budget setting process which, for a number of years, has been nil.

#### **2.3.**

That, on 21 November 2018, the Administrators of the Orkney Memorial Fund requested the Head of Finance to submit a report, to the Policy and Resources Committee, reviewing the uprating factor for the guideline levels of assistance, with their preference being Consumer Price Index, as at September annually.

**It is recommended:**

#### **2.4.**

That the uprating factor for the guideline levels of assistance associated with disbursements from the Orkney Memorial Fund be amended to Consumer Price Index, as at September annually.

### **3. Background**

#### **3.1.**

The Orkney Memorial Fund was established in 1988 following the Piper Alpha disaster, given the close connection with Orkney through the Flotta Oil Terminal and the loss of local men.

#### **3.2.**

The current guidelines for assistance were last reviewed in 2010, when the Council resolved that, from financial year 2011 to 2012 onwards, the levels of assistance, to be granted from the Orkney Memorial Fund, be increased in line with the uprating factors determined annually as part of the budget setting process.

### **4. Fund Balance**

#### **4.1.**

The balance of the Orkney Memorial Fund as at 31 March 2018 was £510,279.25.

#### **4.2.**

Appendix 1 to this report details the actual payments and receipts for the current financial year to date and the last 6 full financial years.

#### **4.3.**

Interest is calculated annually at the financial year-end, based on the opening balance of the Fund in that year.

#### **4.4.**

The balance of the Orkney Memorial Fund has diminished due to payments made exceeding the interest received.

### **5. Review of Guideline Levels of Assistance**

#### **5.1.**

At their meeting held on 21 November 2018, the Administrators of the Orkney Memorial Fund discussed the uprating factor applied to the guideline levels of assistance. The Administrators subsequently requested that the Head of Finance submit a report, to the Policy and Resources Committee, reviewing the uprating factor for the guideline levels of assistance, with the preference being Consumer Price Index as at September annually.

#### **5.2.**

Disbursements from the Orkney Memorial Fund are currently uprated in line with the supplies and services inflation factor applied as part of the budget setting process which, for a number of years, has been nil.

### **5.3.**

Appendix 2 to this report shows the increase to guide levels should Consumer Price Index of 2.4%, as at September 2018, be applied.

### **5.4.**

If the uprating factor for the guideline levels of assistance be amended to Consumer Price Index, as at September annually, the Fund balance will diminish at a greater level and may require additional contributions in the future.

## **6. Corporate Governance**

This report relates to governance and procedural issues and therefore does not directly support and contribute to improved outcomes for communities as outlined in the Council Plan and the Local Outcomes Improvement Plan.

## **7. Financial Implications**

The financial implications are detailed throughout the report.

## **8. Legal Aspects**

There are no material legal implications arising from the recommendations contained within this report.

## **9. Contact Officer**

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## **10. Appendices**

Appendix 1: Table of Payments and Receipts for the last 7 financial years.

Appendix 2: Proposed Uprated guide levels of assistance.

	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13
<b>Balance brought forward</b>	(510,279.25)	(558,582.25)	(564,621.25)	(593,963.25)	(618,605.25)	(659,765.25)	(673,379.25)
<b>Total paid out in the year</b>	22,070.00	51,710.00	10,330.00	33,440.00	28,725.00	47,890.00	26,860.00
<b>Interest Received</b>	*	(3,407.00)	(4,291.00)	(4,098.00)	(4,083.00)	(6,730.00)	(13,246.00)
<b>(Surplus)/Deficit for the year</b>		48,303.00	6,039.00	29,342.00	24,642.00	41,160.00	13,614.00
<b>Balance carried forward as at March</b>	(488,209.25)	(510,279.25)	(558,582.25)	(564,621.25)	(593,963.25)	(618,605.25)	(659,765.25)

\* Interest is calculated and transferred to the fund at the year-end

<b>Guide Levels of Assistance 2018-19</b>		
	Current figure	Inflated figure
Each deceased parent or spouse	2850	2920
Each surviving dependent child:		
under school age	650	670
5-10 years	1160	1190
10-15 years	1360	1400
15 years and over	1800	1850

<b>Cumulative Awards for Dependent Children</b>		
	Current figure	Inflated figure
0 - <1	4970	5110
1 - <2	4970	5110
2 - <3	4970	5110
3 - <4	4970	5110
4 - <5	4970	5110
5 - <6	4320	4440
6 - <7	4320	4440
7 - <8	4320	4440
8 - <9	4320	4440
9 - <10	4320	4440
10 - <11	3160	3250
11 - <12	3160	3250
12 - <13	3160	3250
13 - <14	3160	3250
14 - <15	3160	3250
15 and over	1800	1850