

The Highland Council
Skye, Ross & Cromarty Area Committee

30 April 2014

Agenda Item	11b
Report No	SRC 19b/14

**Dingwall Common Good
Budget Setting 2014/15**

Joint Report by the Director of Finance and the Acting Head of Community & Democratic Engagement

Summary

This report provides Members with a monitoring statement for the Dingwall Common Good Fund (DCGF) to the end of March 2014. The report also sets out the anticipated income and expenditure for the coming year and invites Members, for the first time, to set a revenue budget for the Dingwall Common Good Fund (DCGF) for the financial year 2014/15.

1. Monitoring Statement to end of March 2014

- 1.1 Appendix One reports the near final outturn for 2013/14 on the DCGF based on the quarter 4 monitoring statement. Members should note that this includes only transactions in the ledger at the time of writing and will exclude any accruals which will not be recorded until the end of the month.
- 1.2 Expenditure has been minimised to enable future reinvestment in the Common Good assets.
- 1.3 Based on the monitoring statements as shown there will be a surplus for the year of £12,533 in 2013/14. This will result in a revenue reserve balance of £122,490. Once audited the final Income and Expenditure Account and Balance sheet will be brought to Members in a future report.

2. Anticipated Revenue for 2014/15

- 2.1 Rental Income – The only rental income is that from the Dingwall Town Hall which is leased to the Highland Council and rented by Highlife Highland. The rent due for 2014/15 is £12,500.
- 2.4 Interest and Revenue Balances – Assuming that the current low interest rates continue, it is anticipated that interest receivable on projected surplus balances will be approximately £600 in 2014/15.

3. Anticipated Expenditure

The main revenue budget headings can be summarised as follows:

3.1.1 Property Costs

Property costs have tended to be low and Members will note a request to be considered at committee under a separate report seeking £15,000 towards the external renovations at Dingwall Townhouse Tower, including the restoration of the town clock.

3.1.3 It is however suggested that a revenue property budget of £1,000 be set for 2014/15 for urgent and day to day repairs. Any capital project for upgrading the building would require separate consideration and an appropriate funding package which would be brought to Committee for consideration.

3.2 Administration and Insurance costs

These are minimal and a roll forward budget of £200 is proposed to cover additional support costs in relation to quarterly monitoring information being provided by Finance.

3.3 Grants to the Community

Given the limited level of income and the likely future requirement of the Town Hall building it is proposed that no grants be made in 2014/15 in order to protect the reserves. This is in line with the principle that funds should be allocated to essential expenditure first.

4. Review of the Assets of the Dingwall Common Good

4.1 Members will recall that an update report, entitled Policy, Management and Reporting, was presented by the Corporate Manager to Council on 19 December 2013. The report referred to a plan of actions required to improve and standardise the management of Common Good Funds and made specific reference to Common Good Fund Asset Registers and work to ensure that the Asset Registers are up to date and accurate. The asset register for DCGF was reviewed and updated in 2013/14.

5. Implications

5.1 Equalities Policy. The Dingwall Town Hall is not fully accessible. Any future major internal refurbishment would seek to address this and so improve equality of access.

5.2 Climate Change – Any refurbishment project would seek to increase energy efficiency where possible. There are no other climate change implications in the report.

5.3 Legal and Financial Implications – the application of funds will fall within the competency guidelines set out both in statute and in common law in relation to Common Good Funds. Additionally, through the governance being applied by the Finance Service, funds will remain compliant with all financial regulations.

- 5.4 Expenditure – It is proposed that revenue expenditure budgets of £1,000 be set for property costs and £200 for administration. An additional budget requirement for £15,000 to support the refurbishment of Dingwall Townhouse Tower will be brought to members as part of the project proposal. Based on this assumption expenditure will exceed income by £3,100. This will therefore result in a deficit which would decrease the balance on revenue reserves to £119,390 at the end of 2014/15.

Recommendation

The Committee is invited to:

- i. agree the Dingwall Common Good Fund budget for 2014/15 detailed within the report
- ii. agree that update reports are brought back to the Skye, Ross & Cromarty Area Committee.

Designation: David Haas, Acting Head of Community and Democratic Engagement

Date: 16 April 2014

Authors: Diane Agnew, Ward Manager, Dingwall & Seaforth and Black Isle
Fiona Callum, Accountant

Background Papers: Dingwall Common Good Fund Quarter 4 Monitoring Statement

The Highland Council 23 October 2013 – Highland Common Good Funds – Policy, Management and Reporting

Resources Committee 10 June 2009; Common Good fund – Policy and Information

Appendix I

Dingwall Common Good Fund – Anticipated outturn for 2013/14 based on Quarter 4 monitoring information and proposed 2014/15 Budget

	Proposed Budget	Anticipated Outturn
	14/15	2013/14
	£	£
<u>Income</u>		
Rents	12,500	12,500
Interest and investment income	600	644
Total income	13,100	13,144
<u>Expenditure</u>		
Dingwall Townhouse Tower	15000	-
Property costs	1000	60
Grants	-	412
Administration charges	200	139
Total expenditure	16200	611
Surplus/(deficit) for the year	-3,100	12,533
Revenue Reserve Balance 1/4/13		109,957