

The Highland Council

**Skye, Ross and Cromarty Area Committee –
4 February 2015**

Agenda Item	6e
Report No	SRC/009/15

Tain Common Good – Quarter 3 Monitoring Report

Report by the Head of Policy and Reform

Summary

This report invites Members to consider the Tain Common Good Fund - Third Quarter Monitoring Statement

1. Annual Report

1.1 Appendix 1 of this report contains the Quarter 3 monitoring statement in respect of the Tain Common Good Fund (TCGF) showing spend and income against budget up to 31 December 2014.

2. Expenditure

2.1 Property Costs - The expenditure to date relates principally to the CCTV monitoring costs. The expenditure is within the budget set.

2.2.1 Alexandra Bridge - Members may recall that in April 2014 when the annual TCGF budget for 2014/15 was approved no budget for this heading was set as there was not, at that time, sufficient information to inform the decision.

2.2.2 Members will also be aware from previous reports that due to higher than expected tender costs work was being undertaken to identify an increased funding package and that to comply with advice from procurement the work has had to be retendered. This has been done and tenders assessed. Work is currently ongoing to finalise the funding package required. As owner of the asset the contribution from the TCGF may need to be reconsidered but any additional TCGF allocation towards the work over and above the £100,000 already approved would require Resources Committee approval. This would be considered in the light of the reserves and in the context of a 4 year budget forecast aimed at ensuring that over this time income and expenditure is managed to ensure that the level of reserves by the end of the period is no lower than £150,000 - £160,000.

2.2.3 The £9,701 spend shown against the Alexandra Bridge relates to preparatory works undertaken prior to tender. However the additional work required to provide tender reports to Historic Scotland and to re tender has incurred additional spend and the estimated out turn has therefore been increased to £19,000. This will reduce the level of reserves but is part of the Common Good's contribution to the bridge refurbishment project and is within the limits approved by Finance, Housing and Resources Committee in April 2013.

2.2.4 Members will be updated as these progresses.

3. Income

3.1 The income received so far relates to property and grazing rentals.

3.2 Members will see that a surplus of £30,000 from mussels was originally budgeted. Unfortunately sales have been very low so far this year. It is quite possible that demand will improve again but at present a deficit of £12,000 is now anticipated. Meantime the intention is to have the essential works to the boat, which were highlighted previously to the Area Committee and included within the budget, completed in 2015/16. Loss of mussel income would impact on reserves in the coming year but also on the longer terms forecasting. The position will be closely monitored but Members will know from previous reports that levels of sales and therefore income can be affected by a range of factors including market demand and levels of toxins. If the position does not improve over coming months options will be brought to Members for consideration.

4. Implications

4.1 An overall deficit of approximately £38,500 is anticipated on the TCGF at the end of 2014/15. The 2 main reasons for this are poor mussel sales resulting in a deficit of £12,000 and costs associated with the refurbishment of the Alexandra Bridge.

4.2 Clearly regular annual deficits would be a matter of serious concern and would result in an unacceptable depletion of the usable reserves which stood at £447,075 at the end of March 2014. The position regarding mussel sales will continue to be closely monitored and local members kept up to date. If the position does not improve over coming months options will be brought to Members for consideration. There are resource implications relating to the Alexandra Bridge as noted in the report, but the aim is to refurbish one of the Common Good's important assets and protect its long term future – this will therefore have a one off impact on reserves but will not create ongoing reductions once the refurbishment is complete. There are no Equalities, Climate Change/Carbon Clever, Legal, Financial, Gaelic, Risk or Rural Implications.

Recommendation

The Committee is invited to consider the position of the Tain Common Good Fund as shown in the Quarter 3 Monitoring Statement against budget.

Designation: Carron McDiarmid, Head of Policy and Reform

Date: 22 January 2015

Author: Helen Ross, Senior Ward Manager, CSER
Fiona Callum, Accountant

Appendix One

Tain Common Good - Quarterly Monitoring (Q3) Period to 31 December 2014

Income	Actual to date £	Budget £	Estimated Outturn £	Estimated Variance £
Rents	4,918	7,227	7,227	-
Other income	68	250	68	(182)
Interest and investment income	-	2,175	2,175	-
Mussel Surplus	-	30,000	(12,000)	(42,000)
Total Income	4,987	39,652	(2,530)	(42,182)
Expenditure				
Property costs	8,604	15,000	15,000	-
Legal fees	586	-	586	586
Miscellaneous supplies	-	355	355	-
Central Support Charges	-	1,000	1,000	-
Alexandra Bridge Repair works	9,701		19,000	19,000
Mussel Boat Equipment	8,604	30,000	-	(30,000)
Total Expenditure	18,891	46,355	35,941	(10,414)
Income less Expenditure	(13,904)	(6,703)	(38,471)	31,768