

The Highland Council

Skye, Ross & Cromarty Area Committee –
22 April 2015

Agenda Item	8d
Report No	SRC/022/15

**Invergordon Common Good
Budget Setting 2015/16**

Joint Report by the Director of Finance and the Head of Policy and Reform

Summary

This report outlines details of anticipated income and expenditure and invites Members to approve a budget for the Invergordon Common Good Fund for 2015/16.

1. Introduction

- 1.1 Monitoring reports are regularly provided to Area Committee to enable regular monitoring of activity in the fund against budget. An Annual Report is also provided giving the audited accounts for the previous financial year and a proposed budget for Members to consider and approve.
- 1.2 The audited accounts for 2014/15 are not yet available. In future years the intention is to present the audited accounts and at the same time set a budget for the following financial year. However the 2015/16 budget has not yet been set and clearly it is important to have this in place as early as possible. Therefore this report presents a proposed budget in **Appendix One** for 2015/16 for the Committee to consider.

2. Anticipated Revenue for 2015/16

- 2.1 **Rental Income** – The only rental income is that from the Invergordon Town Hall which is rented by Highlife Highland. The rent due for 2015/16 is £3,000.
- 2.2 **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 £300 in 2015/16.

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, with just essential repairs being carried out to the Town Hall.

- 3.1.2 In the longer term the property is in need of substantial repair and renovation. Work is currently ongoing with local Members and other partners to explore the potential for increased usage with the aim of building up a business case which would support the case for refurbishment and allow external funding to

be sought. This is likely to result on a capital project which would require Common Good resources to support it, but at this stage no expenditure beyond minimum essential repairs are anticipated. Any proposed refurbishment project would of course be brought to Members for detailed consideration and approval. It is suggested that a revenue property budget of £1,000 be set for 2015/16 for urgent and day to day repairs.

3.2 **Administration and Insurance costs**

These are minimal and a roll forward budget of £100 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 2015/16 in order to protect the reserves. This is in line with the principle that funds should be allocated to essential expenditure first.

4. **Implications**

4.1 There are no equalities, Carbon Clever/Climate Change, Rural, Risk or Gaelic implications in the report.

4.2 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 implied by the Finance Service, funds will remain compliant with all financial regulations. The proposed budget will result in a surplus of £2,200. This will increase the balance on revenue reserves which stood at £59,902 at the end of March 2014.

Recommendation

The Committee is invited to approve the Invergordon Common Good Fund budget for 2015/16 detailed within the report and shown in Appendix One.

Designation: Derek Yule, Director of Finance and Carron McDiarmid, Head of Policy and Reform.

Date: 2 April 2015

Authors: Helen Ross, Senior Ward Manager, CSER

Appendix One

**Invergordon Common Good Fund –
Proposed Budget for 2015/16**

	2015/16 Proposed Budget
Expenditure	
Property Costs	1000
Grants	0
Administration charges	100
Total expenditure	<u>1,100</u>
Income	
Rents	3,000
Refund of administration charges	
Miscellaneous	
Interest and investment income	300
Total income	<u>3,300</u>
Surplus/(deficit) for the year	<u>2,200</u>