

The Highland Council

Nairnshire Committee  
20 April 2016

Agenda Item	5
Report No	N/09/16

**Nairn Common Good Fund - Budget setting for 2016 /17**

**Report by the Director of Finance and the Inverness City Manager**

**Summary**

This report invites Members to set the revenue budget for the Nairn Common Good Fund (NCGF) for the financial year 2016/17.

**1. Governance Arrangements**

- 1.1 The NCGF is under the governance of the Highland Council. This is not controlled by a Trust Deed but by the principles laid down in legislation and case law and covers investments, grants and general expenditure.

This results in:

- (i) The principles of Best Value being applied
- (ii) The principal benefit of resources going to the residents of Nairn; and
- (iii) Funds being allocated against essential expenditure first.

Consideration should also be given to the impact of Community Empowerment Legislation. However it must be noted that the Council retains governance and makes all decisions regarding the NCGF. The obligations, once enacted, will impact the way the Council consults with communities.

**2. Anticipated Revenue**

- 2.1 Rental Income – The total income expected to be available in 2016/17 from rents and lettings is expected to be £85,000.
- 2.2 Miscellaneous Income – Income from the Nairn Games of £15,000 is expected in 16/17.
- 2.3 Interest and Revenue Balances It is anticipated that interest receivable on projected surplus balances will be approximately £500 in 2016/17. This has reduced from the previous year as previously held War Stock has been redeemed by the Government.

**3. 2016/17 Budget**

- 3.1 2016/17 Budget – The draft budget for 2016/17 is set out in **Appendix 1**. In accordance with Council policy, wherever practicable, no inflationary increase has been applied to budget heads.
- 3.2 Impact on Available Funds – This budget plans for the expenditure of revenue which will be received in 2016/17. Income and expenditure are set at levels agreed in **Appendix 1**. The NCGF is projected to generate a revenue surplus of £31,500 in 16/17 which will build on existing revenue funds.

#### **4. Expenditure Budget**

The main revenue budget expenditure can be summarised as follows:

- 4.1 Property Maintenance – A budget of £50,000 is proposed. This comprises an annual charge from the Council of £38,000 for grounds maintenance, a management fee of £6,000 from Highlife Highland for the Links and Leisure Park, and makes provision for any necessary remedial work to Common Good assets, particularly at the Links area.
- 4.2 Electricity – a budget of £1,000 is proposed in line with current charges on NCGF properties.
- 4.3 Water Charges – a budget of £1,000 is proposed in line with current charges on NCGF properties.
- 4.4 Rent, Rates and Insurance – a budget of £10,000 is proposed for the River Fishing Licence Fee and for necessary insurance cover. All of the investment properties are expected to be tenanted in 16/17 which means that the NCGF will not be liable for Non Domestic Rates.
- 4.5 Advertising – a budget of £1,000 is proposed for expenditure for the Nairn Games and for other required advertising costs associated with the NCGF.
- 4.6 Legal Expenses – A budget of £1,000 is proposed. This cost is associated with work ongoing on NCGF assets.
- 4.7 Central Support Charge – a budget of £2,000 is proposed in line with the charges incurred in the current and prior years for Finance and Administration support. However the actual charge for 2016/17 will reflect the level of Highland Council officer support provided to the fund in the year ahead. At present, there is no charge for general administrative support provided by the Council or for Ward Management time.

#### **5. Investment Strategy**

- 5.1 An investment strategy for the NCGF has been agreed with share investment determined to be the most viable option for investing cash balances. This will be implemented by the Director of Finance.
- 5.2 Nairn-shire Local Committee Members will be able to attend the Investment Subcommittee.

#### **6. Asset Management**

- 6.1 Work is ongoing on the Asset Register for the NCGF. As previously advised this will be presented in due course to the Local Committee for its consideration with recommendations.
- 6.2 This is in line with work ongoing to ensure consistency of support for the management of Common Good Funds across Highland.

## 7. Implications

7.1 The expenditure to date is within budget and there are no Resource or Financial Implications. There are no known Equalities, Climate Change/Carbon Clever, Legal, Risk, Gaelic or Rural Implications.

7.2 There are no other implications to be highlighted in the report

### Recommendation

Members are invited to:

- i. Agree the Nairn Common Good Fund Revenue Budget for 2016/17 detailed within the report
- ii. Agree that update reports continue to be brought before the Local Committee

Designation: Director of Finance  
Inverness City Manager

Date: April 11 2016

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Background Papers:  
Appendix 1: NCGF Budget 2016/17

## Appendix 1

**Nairn Common Good Fund  
Budget 2016/17****2016/17**      2015/16**Budget**      Budget**INCOME**

£                      £

Rents	85,000	78,000
Interest and investment income	500	7,000
Miscellaneous Income	15,000	15,000
<b>TOTAL INCOME</b>	<b>100,500</b>	<b>100,000</b>

**EXPENDITURE**

Property maintenance	50,000	44,000
Electricity	1,000	1,000
Water charges	1,000	1,000
Rents, Rates and Insurance	10,000	9,000
Central support	2,000	2,000
Advertising	1,000	1,000
Legal Expenses	1,000	0
Contribution to Nairn Games	3,000	3,000
<b>TOTAL EXPENDITURE</b>	<b>69,000</b>	<b>61,000</b>

**Income less Expenditure****31,500**      **39,000**