

The Highland Council

12th May 2016

Agenda Item	16
Report No	HC/23/16

COMMON GOOD FUNDS OFFICER

Report by Head of Corporate Governance

Summary

This report provides further details upon the proposed funding arrangements for the temporary post to support the management of the various common good funds and prepare for the coming into force of the new community empowerment duties.

1. Background

- 1.1 At its meeting on 10th March Council considered a report seeking agreement to the establishment of a temporary post to support the management of the various common good funds and to prepare for the coming into force of the community empowerment legislation.

Whilst Council agreed in principle to the establishment of a temporary post it was agreed to defer consideration of the funding of the post and on this basis further discussion would be undertaken at the next Local Chairs Meeting on 16th March, and locally if necessary, with firm proposals to be brought back to the Council Meeting in May.

2. Current Arrangements and Value

- 2.1 The Council has responsibility for managing ten common good funds with an aggregate total asset value of circa £42m as shown in the table below.

	Fund	Current Value (£)	% age of total value
1.	Cromarty	60,236.52	0.14
2.	Dingwall	295,541.76	0.7
3.	Fortrose and Rosemarkie	514,055.15	1.22
4.	Tain	947,274.88	2.24
5.	Inverness	33,216,787.13	78.75
6.	Nairn	6,607,515.94	15.66
7.	Invergordon	238,401.54	0.57
8.	Grantown on Spey	230.56	0
9.	Dornoch	295,975.83	0.7
10.	Kingussie	236.93	0

3. Community Councils' Concerns

- 3.1 The proposal to establish the post and, in particular the potential funding consequences for the funds (the initial report proposed a simple pro rata arrangement), attracted expressions of concern from both the Royal Burgh of Tain and Nairn West & Suburban Community Councils.

The Community Councils identified a number of concerns including:-

- i) proposal to charge the common good funds a proportion of the CGO's salary citing the Council's statutory responsibility to manage the various common good funds
- ii) a contribution based upon a % age of the fund assets is unfair because there is no detail how the asset value was arrived at
- iii) a wish to see a definitive list of the Common Good assets
- iv) as the post holder will be an employee of the Council this will give rise to a conflict of interest.
- v) the proposal is premature and inappropriate

4. Council Response to Concerns

- 4.1 The following comments are offered in response to the concerns:-

- i) the Council has a responsibility but this does not mean that the costs of management must or should be borne from the General Fund. It has been the Council's long established practice to seek to recover from common good funds the costs and expenses incurred in offering professional support to the funds. The practice is common across Scotland. There is no Council funding available for this new post and if it is to be created the funding will have to come from the common good funds.
- ii) the figures shown in the table above are the total Net Asset Values of the funds as identified by the Council's Finance Service in 2014/15 and are those employed for the purposes of the Scheme of Delegation.
- iii) a key task of the post holder will be to review existing records and to capture accurately and confidently full details of all of the assets of the respective common good funds.
- iv) the common good funds are Highland Council accounts and as such have no separate legal identity. The funds are legally incapable of entering into an

employment relationship.

v) the creation of the post is considered to be timeous and appropriate. The enactment of the Community Empowerment (Scotland) Act will impose a number of new obligations in the management of common good assets. It is likely that draft guidance on the provisions of the Act will be issued in the coming months and the post holder will be well placed both to respond to the consultation and also inform upon the potential impact.

4.2 The Community Councils have expressed concern about the current administration of common good funds citing, for example, a lack of certainty as to the assets held. As noted at iii) above a key task of the post holder will be to address this particular concern in compiling registers whilst actively engaging with communities in anticipation of the enactment of the new legislation. The responses to the proposal to date appear to confirm that there will be considerable interest in the register- both for the bigger funds such as Inverness and Nairn and those smaller funds such as Tain which have current fund issues.

5. Revised Proposal for a Common Good Funds Officer

5.1 In recognition of the current challenges together with the need to prepare for the implementation of the community empowerment legislation it is proposed that the Council agree to establish a temporary, twenty four month post. The post will be one dedicated to the management and protection of all Common Good Fund assets with a particular emphasis on ensuring compliance and with the management of assets and risks.

5.2 Following the March Council meeting a Job Description and Person Specification have been prepared for the proposed post. The post has been subjected to job evaluation and has been assessed to be at HC8. This will equate to an approximate total cost of £39,000 per annum to meet the post's salary together with additional costs such as National Insurance and pension.

5.3 The meeting of the Local Area Chairs on 16th March agreed that the preferred method of funding the post to be recommended to Council is

- on a 'fees' basis for each Common Good Fund, based on the actual officer time spent and work done for each respective fund;
- on a pro rata basis for any officer time and work done on the Council's corporate approach to Common Good Funds and adapting it to comply with the new duties arising from the Community Empowerment Act. The respective pro rata percentage of each fund is shown in the table above.

5.4 As this is a newly created post it is difficult to predict accurately the demands which will be placed on the post holder however it is anticipated that initially the officer will split their time evenly between the work undertaken to support a corporate approach and tasks connected to individual funds. Appendix One

offers indicative costings to each fund of such a division of the post holder's time.

6. Implications

- 6.1 Resource Implications – The costs associated with the post will be fully funded by the various common good funds.
- 6.2 There are no specific Legal, Equalities, Climate Change/Carbon Clever, Risk, Gaelic and Rural implications.

Recommendation

Members are asked to consider the report and agree that the temporary post of Common Good Funds Officer be funded on a pro rata basis in respect of the work undertaken in developing a corporate approach to community empowerment legislation and on a fees basis in respect of work undertaken in connection with individual funds.

Designation: Head of Corporate Governance

Date: 2nd May 2016

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Background Papers:

APPENDIX ONE

	Fund	Potential Contribution (£)
1.	Cromarty	26.70
2.	Dingwall	133.48
3.	Fortrose and Rosemarkie	232.64
4.	Tain	427.15
5.	Inverness	15,016.84
6.	Nairn	2,986.21
7.	Invergordon	108.69
8.	Grantown on Spey	0
9.	Dornoch	133.48
10.	Kingussie	0