

Agenda Item	5
Report No	N/15/17

HIGHLAND COUNCIL

Committee: Nairnshire Committee

Date: 7 December 2017

Report Title: Nairn Common Good Fund - Audited Accounts, Annual Report 2016 / 17 and Quarter 2 Monitoring

Report By: Director of Corporate Resources and Inverness City Area Manager

1 Purpose/Executive Summary

- 1.1 This report presents the audited accounts and annual report for the financial year 2016/17, and reports on the position of the Nairn Common Good Fund as shown in the Quarter 2 monitoring statement for 2017/18.

2 Recommendations

- 2.1 Members are asked to consider:
- the Nairn Common Good Fund Annual Report for 2016 / 17 and
 - the position of the Nairn Common Good Fund and outturn as shown in the 2017/18 Quarter 2 monitoring statement against budget.

3 Annual Report

3.1 **Appendix 1** of this report shows the Income and Expenditure Account and Balance Sheet in respect of the Nairn Common Good Fund (NCGF) for the Financial year 2016/17.

3.2 Expenditure

3.2.1 The main expenditure is in relation to property maintenance and reflects the adjustment required for Ground Maintenance costs that was reported to the Nairnshire Committee in December 2016. As previously advised over the two financial years there is no net change to the overall position of the NCGF.

3.2.2 All other items of expenditure are broadly in line with the previous year.

3.3 Income

3.3.1 The principle income for the NCGF comes largely from rents and lettings. The target was met for the budget set.

3.4 With revaluation gains, overall there was a surplus in the year of £43,746 and at 31 March 2017 usable reserves stood at £413,765.

4 Balance Sheet

4.1 The underlying concept of the Balance Sheet is that each category of asset in the top half of the balance sheet has an equivalent reserve in the bottom half of the balance sheet.

4.2 Sundry creditors. This relates to invoices paid for goods and services in advance or income received in the new financial year but relating to the previous financial year.

4.3 The change in the balance sheet position largely reflects the change in valuation of the fund's investment properties.

5 Quarter 2 Monitoring Statement

5.1 A monitoring statement showing transactions against budget to the end of September 2017 and the current estimated year end position is attached as **appendix 2**.

5.2 Income:

Income relates principally to rentals and lettings, including income from the Nairn Games, and is on target. There is an additional uplift in income relating to recently concluded negotiations for the extension of the Lochloy Holiday Park

5.3 Expenditure:

Expenditure to date relates to electricity charges for the Pavilion and Links. Under Rent, Rates and Insurance it should be noted that due to revaluations, the charge for the Nairn River Fishings has been reduced which results in a saving to the CGF. This is shown as a variance and is reflected in the year end estimate. Other expenditure relates to advertising for the Nairn Games and legal expenses for work related to NCGF property portfolio.

The charge for the Nairn Common Good Fund's proportion of costs of the Common Good Fund Officer is shown as a variance and is reflected in the year end estimate.

6 Implications

- 6.1 Useable Reserves stood at £413,206 as at 31 March 2016 rising to £413,756 as at 31 March 2017.
- 6.2 Resource – Expenditure continues to be kept to a minimum in order to build reserves for future projects for protection or development of Common Good Assets. Any future Capital Projects will be brought to Committee for consideration.
- 6.3 Legal – None.
- 6.4 Community (Equality, Poverty and Rural) – None. Any future major project would seek to improve equality of access.
- 6.5 Climate Change/Carbon Clever – None. Any future project would seek to increase energy efficiency where possible.
- 6.6 Risk – None.
- 6.7 Gaelic – None.

Designations: Derek Yule, Director of Corporate Resources
David Haas, Inverness City Area Manager

Date: 22/11/2017

Author: Liz Cowie, Nairn and Badenoch & Strathspey Ward Manager

Appendix 1 Audited Accounts

Appendix 2 Quarter 2 Monitoring Report

STATEMENT OF ACCOUNTS 2016-17

Appendix 1

Nairn Common Good Fund

Income and Expenditure Account

	2016/17 £	2015/16 £
<u>Expenditure</u>		
Property maintenance	97,205	5,526
Rent, rates and insurance	9,100	9,623
Legal expenses	121	277
Special grants	2,835	2,902
Sandown costs	-	3,035
Administration charges	1,486	1,035
Total expenditure	<u>110,747</u>	<u>22,399</u>
<u>Income</u>		
Rents	97,618	95,399
Miscellaneous income	118	27
Interest and investment income	1,758	1,504
Total income	<u>99,494</u>	<u>96,930</u>
Surplus/(deficit) for the year	<u>(11,254)</u>	<u>74,532</u>
Revaluation gains/(losses)	55,000	397,907
Total comprehensive income and expenditure	<u><u>43,746</u></u>	<u><u>472,439</u></u>

Balance Sheet

	31/03/17	31/03/16
<u>Non current assets</u>		
Investment properties	6,934,000	6,879,000
Heritage assets	60,000	60,000
	<u>6,994,000</u>	<u>6,939,000</u>
<u>Current assets</u>		
Loans fund deposits	425,120	429,374
Sundry Debtors	(60)	60
	<u>425,060</u>	<u>429,434</u>
<u>Long term liabilities</u>		
Sundry creditors	(11,295)	(4,417)
	<u>(11,295)</u>	<u>(4,417)</u>
Total assets	<u><u>7,407,765</u></u>	<u><u>7,364,017</u></u>
Usable reserves		
Revenue funds	413,765	413,206
Unusable reserves		
Revaluation reserve	60,000	60,000
Capital adjustment account	6,934,000	6,890,811
	<u>6,994,000</u>	<u>6,950,811</u>
Total reserves	<u><u>7,407,765</u></u>	<u><u>7,364,017</u></u>

**Nairn Common Good - Quarterly Monitoring
Period to 30 September 2017**

APPENDIX 2

	Actual to date £	Annual Budget £	Year End Estimate £	Variance £
INCOME				
Rents	163,125	85,000	170,000	85,000
Lettings	14,268	15,000	15,000	0
Interest and investment income	0	500	500	0
Miscellaneous Income	27	100	100	0
	<u>177,420</u>	<u>100,600</u>	<u>185,600</u>	<u>85,000</u>
TOTAL INCOME	<u><u>177,420</u></u>	<u><u>100,600</u></u>	<u><u>185,600</u></u>	<u><u>85,000</u></u>
EXPENDITURE				
Common Good Fund Officer	1,802	0	7,210	7,210
Property Costs	0	50,000	50,000	0
Electricity	352	1,000	1,000	0
Water charges	0	1,000	1,000	0
Rents, Rates and Insurance	3,561	10,000	3,561	(6,439)
Central support	0	2,000	2,000	0
Advertising	145	500	500	0
Contribution to Nairn Games	0	3,000	3,000	0
Legal Expenses	825	1,000	1,000	0
TOTAL EXPENDITURE	<u>6,686</u>	<u>68,500</u>	<u>69,271</u>	<u>771</u>
Income less Expenditure	<u><u>170,734</u></u>	<u><u>32,100</u></u>	<u><u>116,329</u></u>	<u><u>84,229</u></u>