

Agenda Item	12a
Report No	CIA/9/18

HIGHLAND COUNCIL

Committee: City of Inverness Area Committee

Date: 22 February 2018

Report Title: Inverness Common Good Fund Financial Monitoring

Report By: Inverness City Area Manager

Purpose/Executive Summary

This report presents the expenditure monitoring position for the Inverness Common Good Fund as at 31 January 2018 and the projected year end position. The projected year end position is an underspend on core expenditure of £0.152m as a result of income being higher than budgeted.

Recommendations

Members are asked to consider the financial monitoring report to 31 January 2018; and note that overall expenditure is within agreed budgets

2. Introduction

- 2.1 This report is produced in support of the Council's corporate governance process. The purpose of the report is to advise members of the anticipated financial position against the agreed budget at the end of financial year 2017/18. **Appendices 1 and 2** show both core and project income and expenditure to 31 January 2018, the predicted year end outturn and the predicted variance.
- 2.2 **Appendix 3** provides members with more detail on the Events Management Budget.

3. Overview

- 3.1 **Appendix 1** shows core revenue expenditure for the year of £2.221m to be met by revenue income of £2.321m (including a transfer from Reserves of £0.259m), which would deliver a revenue surplus of £0.100m for commitment to Projects. At this stage in the financial year core spend is expected to be underspent by £0.152m.
- 3.2 **Appendix 2** shows Project spend of £1.669m, to be funded from the Revenue Surplus as outlined in 3.1, with the remaining monies to come from Reserves. An underspend of £0.072m is currently expected on project spend.
- 3.3 The combined outturn position is a net underspend of £0.224m.
- 3.4 Commentary on significant variances (greater than £0.005m) is set out below per cost centre.

4. Variances – Expenditure

- 4.1 1-5 Church Street Maintenance
A slight underspend of £0.005m is anticipated on maintenance costs as a result of the remaining vacant floor within the property.
- 4.2 Inverness Common Good Fund Grants and Conference Support
An underspend of £0.243m is anticipated as a result of grants committed during or prior to 2017/18 but where the delivery of the project and all or part of the funding is not anticipated to take place prior to the end of the financial year. This is matched with the corresponding difference reported against the contributions to grants/conference support from reserves line shown within other income.
- 4.3 Other Charges and Town House – Other Costs
It is anticipated that there will be no further spend against these budget heads in this financial year and it is proposed that there will be no requirement for this budget in 2018/19.

5. Variances - Income

- 5.1 Industrial Estates – Premium
Following renegotiations of a rental agreement there has been an in year increase in rent of £0.090m
- 5.2 Town House
Income is anticipated to be greater than budgeted by £0.012m as a result of a donation received by ICGF.
- 5.3 1-5 Church Street
An anticipated variance of £0.009m greater than budget is expected as a result of the rental being in place earlier than anticipated for part of the property.
- 5.4 Other Properties
An anticipated variance of £0.020m greater than budget is expected as a result of income from the rental of the fishing rights for the River Ness not being included in the original budget.

6. Variances - Projects

- 6.1 Town House Refurbishment
An overspend of £0.221m is expected as a result of a change to the profile of the spend on the Town House refurbishment. However, this represents a timing issue and does not impact on the overall cost of the project.
- 6.2 Refurbishment 1-5 Church Street
An overspend of £0.035m is expected as a result of unbudgeted final contract retention payments.
- 6.3 Ness Island Structural Maintenance Programme
An underspend over £0.162m is anticipated to be carried forward to 2018/19 as a result of the unfavourable winter conditions causing delays to planned works.
- 6.4 Lotland Street Starter Unit
As the project has not started due to a number of challenges relating to the state and condition of the site, officers are considering alternatives which will be presented to members at a future date.

7. Implications

- 7.1 The report details the financial resource implications. There are no other resource implications. There are no Equalities, Climate Change/Carbon Clever, Legal, Gaelic, Risk or Rural Implications.

Designation: Inverness City Area Manager

Date: 07 February 2018

Author: David Haas, Inverness City Area Manager

Background Papers:

APPENDIX 1
MONITORING STATEMENT 2017/18
INVERNESS COMMON GOOD FUND CORE SPEND
FOR PERIOD ENDING 31 January 2017/18

	ACTUAL YEAR TO DATE	ANNUAL BUDGET	ESTIMATED OUTTURN	ESTIMATED VARIANCE
	£000	£000	£000	£000
EXPENDITURE				
Victorian Market	206	214	214	0
Town House Maintenance	72	100	100	0
1-5 Church Street Maintenance	10	20	15	(5)
Other Properties	58	95	95	0
Civic and Conference Hospitality	84	132	132	0
Ness Islands & Bank Maintenance	0	35	35	0
Festive Lights	0	65	65	0
Town Twinning	2	9	9	0
Winter Payments	87	105	105	0
Inverness Common Good Fund Grants	296	584	349	(235)
Conference Support	11	59	51	(8)
City Promotions	16	34	34	0
Disabled Go Project (2013-18)	8	8	8	0
Castle Wynd Conveniences	4	23	23	0
Partnership Working	109	109	109	0
Events & Festivals	292	320	320	0
CCTV	0	90	90	0
Property Management Fees	0	124	124	0
Central Support Charge	0	60	60	0
Other Charges	0	14	0	(14)
Town House Other Costs	4	11	4	(7)
Inverness Steeple	0	10	10	0
TOTAL EXPENDITURE	1,258	2,221	1,952	(269)
FUNDED BY:				
Rents				
Industrial Estates	1,327	1,471	1,471	0
Industrial Estates - premium	85	0	85	(85)
Victorian Market	219	247	247	0
Town House	270	258	270	(12)
1-5 Church Street	80	75	84	(9)
Other Properties	26	10	30	(20)
Other Income				
Contribution to Grants from Reserves	0	240	5	235
Contribution to Conference Support from Reserves	0	19	11	8
Interest on Revenue Balances	0	1	1	0
TOTAL FUNDING	2,007	2,321	2,204	117
AVAILABLE TO FUND PROJECT SPEND	749	100	252	(152)

**APPENDIX 2
MONITORING STATEMENT 2017/18
INVERNESS COMMON GOOD FUND PROJECT SPEND
FOR PERIOD ENDING 31 January 2017/18**

	ACTUAL YEAR TO DATE £000	ANNUAL BUDGET £000	ESTIMATED OUTTURN £000	ESTIMATED VARIANCE £000
PROJECT SPEND				
Town House Refurbishment	1,002	1,040	1,261	221
Refurbishment 1-5 Church Street	34	0	34	34
Ness Islands - Structural Maintenance Programme	0	298	136	(162)
Inverness City Arts Project	0	27	27	0
Victorian Market - Opportunities for Improvement	(0)	134	134	0
Lotland Street Starter Unit	2	170	5	(165)
TOTAL	<u>1,037</u>	<u>1,669</u>	<u>1,597</u>	<u>(72)</u>
FUNDS AVAILABLE FOR PROJECT SPEND	749	100	252	(152)
BALANCE TO BE FUNDED BY RESERVES	<u>(288)</u>	<u>(1,569)</u>	<u>(1,345)</u>	<u>(224)</u>

**APPENDIX 3
EVENTS AND FESTIVALS BUDGET MONITORING
FOR PERIOD ENDING 31 JANUARY 2018**

	ACTUAL YEAR TO DATE £
Income	
Grants	(6,000)
Income	<u>(39,980)</u>
	(45,980)
Expenditure	
Council Staff	8,546
Entertainers	76,099
Equipment	148,986
Event Office	40,708
Licences	0
Marketing	30,496
Security and First Aid	<u>33,363</u>
	338,197
Net Total	292,217