

Agenda Item	12d
Report No	RC/9/18

HIGHLAND COUNCIL

Committee: Ross & Cromarty

Date: 31 January 2018

Report Title: **Invergordon Common Good Fund – Quarter 3 monitoring report and 2018/19 Budget**

Report By: Derek Yule, Depute Chief Executive and Director of Corporate Resources
Carron McDiarmid, Head of Policy & Reform

1. **Purpose/Executive Summary**

- 1.1** This report presents the Quarter Three monitoring statement for the Invergordon Common Good Fund and puts forward a proposed budget for 2018/19. Members are asked to scrutinise and note the report and to approve the proposed budget for 2018/19.

2. **Recommendation**

- 2.1** This report asks Members to scrutinise and note the Quarter 3 monitoring statement for the Invergordon Common Good Fund and also to consider and approve the proposed 2018/19 budget for the Fund.

1. Quarter 3 Monitoring Statement

- 1.1 A monitoring statement showing transactions to the end of December 2017 against budget and estimated year end position is attached at **Appendix 1**.
- 1.2 Invergordon Town Hall is rented to High Life Highland at a rent of £3,300 for 2017/18. The rental invoice for this has been issued and payment is expected shortly.
- 1.3 There has been a small charge for the Invergordon Common Good Fund's proportion of the costs of the Common Good Fund Officer but overall very little expenditure has been incurred so far this financial year. The property budget is set for minor essential repairs to the Town House and as yet none have been required.
- 1.4 The overall estimated outturn position is a surplus of £1,586; this represents a negative variance against the budgeted surplus of £914 as a result of the unbudgeted expenditure on the Fund's proportion of the costs of the Common Good Fund Officer.

2. Proposed Budget for 2018/19

- 2.1 A proposed budget for 2018/19 is set out in **Appendix 2** of the report for the Committee to consider.

2.2 Anticipated Revenue for 2018/19.

2.2.1 Rental Income

The income to the ICGF comes from the rent charge for the town hall which stands at £3,300 per year. This rent level is due to be reviewed in April 2019.

- 2.2.2 **Interest on Revenue Balances** – Assuming that the current low interest rates continue, it is anticipated that interest receivable on projected surplus balances will be remain at approximately £300 in 2018/19.

2.2.3 Anticipated Expenditure

- 2.3.1 **Staff Costs** - A budget has been allocated for 2018/19 of £1000 to meet Invergordon Common Good Fund's proportion of the Common Good Fund Officers cost.

2.3.2 Property Costs

The main anticipated expenditure relates to property costs albeit these have tended to be low, with just essential repairs being carried out to the Town Hall. It is proposed that the same modest budget level of £1,000 per retained for minor repairs that may be required.

- 2.3.3 The Town Hall does require significant refurbishment. Unfortunately the recent bid to the Scottish Government Capital Regeneration Fund has been unsuccessful and will not go forward into round 2. Early discussions have been

held with other potential funders and HLH, as tenant of the building, has requested development project advice from the Kyle of Sutherland Development Trust (KOSDT). KOSDT have very significant development experience and currently have funding from the Scottish Government and the European Social Fund to provide such support. Identifying a funding package for refurbishment is a significant challenge but all options are being explored. Local Members will be kept up to date as discussions develop. If a package is developed this will almost certainly require a significant matching contribution from the ICGF Reserves. However as the amount likely to be required is not yet known no budget has been set. This can be reviewed once a package is more fully developed.

2.3.3 **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.

2.3.4 **Grants to the Community**

Given the limited level of income and the likely future funding requirements of the town hall building it is proposed that no grants be made in 2018/19 in order to protect reserves. This is in line with the principle that funds should be allocated to essential expenditure first.

3. **Implications**

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

3.2 **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 anticipated out turn for 2017/8 will result in a surplus of £1,586. This will increase the balance on revenue reserves which stood at £69,523 at the end of March 2017.

Designation: Derek Yule, Depute Chief Executive and Director of Corporate Resources
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Date: 17 January 2018
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Appendix One

Invergordon Common Good - Quarterly Monitoring Period to 31 December 2017

	Actual to date	Budget	Estimated Outturn	Estimated Variance
	£	£	£	£
Income				
Rents	0	3,300	3,300	0
Interest and investment income	0	300	300	0
Total Income	0	3,600	3,600	0
Expenditure				
Staff Costs	229	0	914	914
Property costs	0	1,000	1,000	0
Admin charges	0	100	100	0
Total Expenditure	229	1,100	2,014	914
Income less Expenditure	(229)	2,500	1,586	(914)

Appendix 2

	Proposed Budget for 2018/19
Invergordon Common Good Fund –	
Income	
Rents	3,000
Interest and investment income	300
Total income	<u>3,600</u>
Expenditure	
Property Costs	1000
Staff Costs	1000
Administration charges	100
Total expenditure	<u>2,100</u>
Surplus/(deficit) for the year	<u><u>1,500</u></u>