

Agenda Item	9
Report No	RC/034/17

HIGHLAND COUNCIL

Committee: Ross & Cromarty

Date: 30 October 2017

Report Title: **Invergordon Common Good – Annual Accounts and Quarter 2 Monitoring Report**

Report By: Steve Barron, Chief Executive
Derek Yule, Director of Corporate Resources

1. Purpose/Executive Summary

1.1 This report presents the Invergordon Common Good Fund audited accounts for 2016/17 and the 2nd Quarter monitoring for 2017/18. The report highlights main issues regarding the accounts and the strategy in relation to the overall Fund value.

2.

Recommendation

2.1 Members are asked to:

- 2.2**
- Consider the Invergordon Common Good Fund Annual Report for 2016/17;
 - Consider the position of the Invergordon Common Good Fund, 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 Invergordon Common Good Fund (ICGF) for Financial Year 2016/17.
- 3.2 There was very little financial activity in relation to the Invergordon Common Good. Overall there was a surplus on the account of £3,470 which has increased the usable reserves at 31 March 2017 to £69,523.

3. Quarter 2 Monitoring Statement

- 3.1 A monitoring statement showing transactions to the end of September 2017 against budget and estimated year end position is attached at Appendix Two.
- 3.2 No income has yet been received but the Town Hall is rented to Highlife Highland at a rent of £3,300 for 2017/18 and this will be received later in the financial year.
- 3.3. 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.
- 3.4 The Town House 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. The way forward will need to be reconsidered as the repair needs of the building are significant and the Reserves are far from sufficient to cover the costs. Local Members will be included in discussions around future options.

4. Implications

- 4.1 The required repair and refurbishment work referred to in paragraph 3.4 cannot be accommodated within existing resources. Building up the level of Usable Reserves remains important but given the repair requirements more significant measures must also be considered. Without refurbishment the building will continue to deteriorate and this is therefore a key priority. As noted this will be considered in consultation with local Members. The Usable Reserves stood £69,523 as at 31 March 2017.
- 4.2 Resource – Members will note a surplus of £1,775 is anticipated at the end of 2017/18, less than the budget set, as a result of the Common Good Fund Officer's costs.

Legal - none

Community (Equality, Poverty and Rural) - No implications at present but any refurbishment package is likely to require community support.

Climate Change/Carbon Clever - none

Risk – none

Gaelic - none

Designations: Steve Barron Chief Executive
Derek Yule, Director of Corporate Resources

Date: 18 October 2017

Authors: Helen Ross, Senior Ward Manager, CSER
Victoria MacDonald, Accountant

Background Papers:

Appendix 1

STATEMENT OF ACCOUNTS 2016-17 Invergordon Common Good Fund

Income and Expenditure Account	2016/17 £	2015/16 £
<u>Expenditure</u>		
Administration charges	88	65
Total expenditure	88	65
 <u>Income</u>		
Rents	3,300	3,600
Interest and investment income	258	262
Total income	3,558	3,862
Surplus/(deficit) for the year	3,470	3,797
Revaluation gains/(losses)	-	2,500
Total comprehensive income and expenditure	3,470	6,297
 Balance Sheet		
	31/03/17 £	31/03/16 £
<u>Non current assets</u>		
Investment properties	96,000	96,000
Heritage assets	85,000	85,000
	181,000	181,000
<u>Current assets</u>		
Sundry Debtors	-	3,600
Loans fund deposits	69,523	62,518
	69,523	66,118
<u>Current liabilities</u>		
Amounts due to other local authorities	-	(65)
Total assets	250,523	247,053
 Usable reserves		
Revenue funds	69,523	66,053
 Unusable reserves		
Revaluation reserve	85,000	85,000
Capital adjustment account	96,000	96,000
	181,000	181,000
Total reserves	250,523	247,053

Appendix 2

Invergordon Common Good - Quarterly Monitoring Period to 30 September 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	181	0	725	725
Property costs	0	1,000	1,000	0
Admin charges	0	100	100	0
Total Expenditure	181	1,100	1,825	725
Income less Expenditure	(181)	2,500	1,775	(725)