

Agenda item	8e
Report no	RC/024/17

HIGHLAND COUNCIL

Committee: Ross and Cromarty Committee

Date: 15 August 2017

Report Title: Tain Common Good Quarter 1 Monitoring Report

Report By: Michelle Morris, Director of Corporate Services and Depute Chief Executive and Derek Yule, Director of Finance

1. Purpose/Executive Summary

1.1 This report provides information on income and expenditure in relation to the Tain Common Good Fund for the period April – June 2017.

2. Recommendation

2.1 Members are asked to:

2.2 • scrutinise and note the report

3. Quarter 1 Monitoring Statement – Income

- 3.1 A monitoring statement showing transactions to the end of June 2017 against budget is attached as Appendix One.
- 3.2 All the properties and grazings are currently let. The grazings are fully paid for and the property rental income received is up to date.
- 3.3 No income budget was set for the mussel fishery as the fishery is currently being rested to avoid its stocks dropping to an unsustainably low level. Further information about the mussel fishery is outlined in section 4.2 below.
- 3.4 As no decision to sell the boat had been made when the budget was set no income was anticipated. The boat sale is currently in process so there will be a capital receipt in due course. There will be some costs (eg legal costs) associated with the sale and these will be deducted from the capital receipt. Members have asked that once the capital receipt is received it is ring-fenced separately within the Fund.

4. Quarter 1 Monitoring Statement – Expenditure

- 4.1 Significant tree work at the Woody Braes site was required as many of the trees were dead. It is a steep and difficult site to work on but the work started towards the end of March 2017 and was completed in early April. The total cost of the tree work was £18,700 with this cost falling equally across 2016/17 and 2017/18. The site will require to be replanted in autumn to help ensure the stability of the bank and to allow for this and other general property costs normally incurred the anticipated outturn has been raised to £17,000
- 4.2 For the Mussel Fishery no actual costs had been paid by the end of the first quarter. However the costs which have either been incurred or will be incurred in the year ahead are reflected in the estimated outturn column on Appendix One. The £24,000 figure here includes costs associated with the mussel stock survey already provided and the advice still being provided by Herriot Watt around the fishery and its transition from a Council run commercial fishery to a leased fishery within the Firth (£14,216 as per tender). It also includes rental payments due for the pier at Meikleferry prior to the termination of the lease, officer time costs associated with the termination of both the pier and crown estates leases as well as work associated with the marketing of the boat. An estimated £3,250 has also been included for a further rapid stock survey of the fishery.
- 4.3 A budget of £12,000 was set aside to cover the cost of boat repairs. In fact as the decision was taken to sell the boat this has not been utilised. The boat was advertised on the open market with a closing date in May. Several offers were received. The highest offer has been accepted, with Members' approval. The offer is subject to a satisfactory survey and technical documents on completion of the sale and the current position is the boat is being moved to Buckie by the buyer for the survey to be carried out. No repair budget is therefore required and so the anticipated out turn has been reduced to nil. There will of course be a capital receipt from the sale of the boat as outlined in paragraph 3.4 above.

5. Implications

- 5.1 Resource –There are resource implications for the Tain Common Good Fund within the report. With a relatively low level of income from property and grazings essential maintenance such as the tree work means that the fund operates at a deficit. Similarly the work to transition from a council operated commercial fishery to a leased fishery has resulted in costs and there is as yet no prospect of income. Once a further rapid stock survey is carried out more information can be brought to Members to enable them to consider the way forward. It is very much hoped that as stock recover an income can be obtained to offset costs and build reserves again.
- 5.2 With the amended budget as outlined in the report an overall deficit of £32,500 is anticipated at the year end against the £14,000 deficit originally forecast. This is against a figure of usable reserves of £249,870 (unaudited figure) as at 31 March 2017. There will be a capital receipt once the mussel boat is sold which will add to the level of Reserves. The Ross and Cromarty Committee has requested that these be ring fenced separately within the overall Fund.
- 5.3 Community - The local community are concerned about the health of the mussel fishery but there are no other implications.
- 5.4 Equality, Poverty and Rural – None
- 5.5 Legal - none
- 5.6 Climate Change/Carbon Clever - none
- 5.7 Risk – none
- 5.8 Gaelic - none

Designation: Michelle Morris, Director of Corporate Services and Depute Chief Executive and Derek Yule, Director of Finance

Date: 24 July 2017

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Appendix One

Tain Common Good - Quarterly Monitoring Period to 30 June 2017

INCOME	Actual to date £	Budget £	Estimated Outturn £	Estimated Variance £
Rents	2,675	7,900	7,900	-
Other income	27	-	-	-
Interest and investment income	-	1,600	1,600	-
Alexandra Bridge	-	-	-	-
TOTAL INCOME	2,702	9,500	9,500	-
EXPENDITURE				
Property costs	9,923	10,500	17,000	6,500
Central Support Charges	-	1,000	1,000	-
Alexandra Bridge Repair works	-	-	-	-
Tain Mussel Fishery	-	-	24,000	24,000
Tain Mussel Fishery Boat	-	12,000	-	(12,000)
TOTAL EXPENDITURE	9,923	23,500	42,000	18,500
Income less Expenditure	(7,221)	(14,000)	(32,500)	(18,500)