

The Highland Council

Ross and Cromarty Committee – 12 January 2017

Agenda Item	7d
Report No	RC/008/17

Invergordon Common Good Fund – Budget Setting 2017/18

Joint Report by Depute Chief Executive/Director of Corporate Development Services and the Director of Finance

Summary

This report invites Members to approve a budget for the Invergordon Common Good Fund (ICGF) for the financial year 2017/18.

1. Proposed Budget for 2017/18.

1.1 A proposed budget for 2017/18 is set out in Appendix 1 of the report for the Committee to consider.

1.2 Anticipated Revenue for 2017/18.

1.2.1 Rental Income

The income to the ICGF comes from the rent charge for the town hall which stands at £3,300 per year.

1.2.2 **Interest and Revenue Balances** – Assuming that the current low interest rates continue, it is anticipated that interest receivable on projected surplus balances will remain at approximately £300 in 2017/18.

1.3 Anticipated Expenditure

1.3.1 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.

1.3.2 As noted in previous reports, in the longer term the Town Hall is in need of substantial repair and renovation. Members will be aware that a Stage One application for capital funds to the Scottish Government's Regeneration Capital Grant Fund was not successful. However the panel saw it as an interesting project and one which they would be content to receive a further application for in 2018/19 (subject to availability of funds). More work will be required to build a second bid and in the meantime expenditure is being kept to a minimum.

1.3.3 **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.

1.3.4 **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 2017/18 in order to protect the reserves. This is in line with the principle that funds should be allocated to essential expenditure first.

2. **Implications**

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

2.2 **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 2016/17 will result in a surplus of £2,500. This will increase the balance on revenue reserves which stood at £66,053 at 31 March 2016.

3. Recommendation

The Committee is invited to consider and approve the Invergordon Common Good Fund budget for 2017/18 shown in Appendix 1.

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

Date: 16 December 2016
Author: Helen Ross, Senior Ward Manager, CSER

APPENDIX 1

INVERGORDON COMMON GOOD FUND PROPOSED BUDGET 2017/18

2017/18

£

Income

Rents	3,300
Interest and investment income	300
Total income	<u>3,600</u>

Expenditure

Property Costs	1,000
Administration charges	100
Total expenditure	<u>1,100</u>

Surplus/(deficit) for the year

2,500