

Agenda Item	7e
Report No	RC/009/17

Tain Common Good Fund – Budget Setting 2017/8

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

Summary

This report invites Members to consider and approve a budget for the Tain Common Good Fund for 2017/18.

1. 2016/17 Budget

1.1 A proposed budget for 2017/18 is set out in **Appendix 1** to this report.

1.2. Anticipated Income

1.2.1 **Rental Income** – Rental income comes principally from the Market Street stalls, let in two lots. Both are currently let with rental agreements in place. A small amount of income is also received from 2 areas of grazing which are let by open advertisement in March each year. Members are asked to agree that when they are advertised the highest bids received be accepted. There is also some income anticipated from the lease of the Kyle of Sutherland fisheries based on a conservation lease. Overall the total income anticipated from these sources in 2017/18 is £7,650.

1.2.2 **Other Income** – This includes minor fees and other charges such as the occasional let of Tain Links. One enquiry for 2017/18 has been received so far and an income of £250 is anticipated.

1.2.3 **Mussel Fishery** – As Members are aware mussel fishery income has incurred deficits in recent years and it is the subject of a separate report on this agenda. This report and the proposed budget is indicative only and reflects the recommendations of that earlier report, i.e. that the mussel fishery be rested and the position reviewed in the light of a rapid survey undertaken in spring/summer 2017, that fishing licence be retained and that Highland Council be asked to approve the sale of the mussel boat.

1.2.4 **Interest on Revenue Balances** – Assuming that the current low interest rates continue, it is anticipated that interest receivable on projected surplus balances will be approximately £1,600 in 2017/18.

2. Anticipated Expenditure

2.1.1 Property charges and maintenance

Details of anticipated expenditure in relation to property are set out below.

2.1.2 The Market Street units are let on full repairing leases so no expenditure is anticipated in 2016/17. The grazings are let each year on a 364 day grazing let. No expenditure is anticipated in relation to the grazings.

2.1.3 There is an annual charge included under property to cover the cost of monitoring the town's CCTV systems of just under £5,500.

2.1.4 There are occasional costs related to the areas such as Tain Links, e.g. fencing repairs, tree management etc. There are also minor costs related to building insurance and electricity costs. Substantial tree work is required at the Woody Brae site. Prices are being sought but it is anticipated that this can be completed within the current financial year.

2.1.5 It is recommended that £5,000 be set aside for these occasional property costs in 2017/18 bringing the total property budget to £10,500.

2.2 Mussel Fishery

2.2.1 As noted in paragraph 1.2.3 Members have been asked to consider the mussel fishery in another report on the agenda and this will impact on the level of budget required. This report assumes there will be costs incurred in relation to a rapid spring/summer survey and also in relation to the advertisement and the sale of the boat. A budget of £12,000 is proposed for this but this will require to be reviewed in the light of decisions made.

2.3 Other Grants

2.3.1 **Grants to the Community** - given the current income position it is recommended that a nil budget for Common Good grants should be made for 2017/18.

2.3.2 **Support for local project officer** – there is interest locally in the potential to fund a project officer using Common Good funds. The objective of such a post would be to promote and help to develop local projects and lever in additional funding.

Local Members are supportive of this provided there is clarity around objectives and confidence that such an officer could lever in sufficient external funds to ensure that there is an overall benefit to the community, greater than the expenditure incurred.

As this is at an early stage it is recommended that no budget be set at this time but that the proposal be brought to the Committee for consideration once more complete information is available. Depending on the level of

funding sought, approval from Highland Council might be required but the view of the Ross and Cromarty Committee would be sought in the first instance.

3. Implications

3.1 **Equalities Policy.** Letting of properties, grazings etc. is carried out by open advertisement to allow an opportunity to any interested parties. There are no other equalities implications.

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.

There are clearly financial implications with a deficit of £14,000 anticipated which will impact on the Usable Reserves which stood at £237,082 at 31 March 2016. However the most significant costs are associated with the mussel fishery and around tree and property costs. Work is ongoing in relation to the fishery, as outlined in this and a separate report, seeking ways to reduce costs, to ensure it remains sustainable in the longer term and also to retain the potential for future income. Property costs are kept as low as possible but tree work is required for safety reasons and is not offset by associated income.

3.3 **Risk** –The mussel fishery operations represent a risk but the proposed course of action is aimed at reducing liabilities as far as is possible whilst still retaining the potential for future income. As the report notes performance will continue to be closely monitored and members kept up to date.

3.4 There are no Carbon Clever/Climate Change, Rural or Gaelic implications.

Recommendation

The Committee is invited to:

- consider and approve the budget for 2017/18 detailed within the report and Appendix One.
- agree that when the grazings are advertised the highest bids received be accepted.

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

Date: 20 December 2016
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APPENDIX 1

TAIN COMMON GOOD FUND PROPOSED BUDGET 2017/18

2017/18

£

Income

Rents	7,650
Miscellaneous	250
Interest and investment income	<u>1,600</u>

Total income 9,500

Expenditure

Property Costs	10,500
Central Support Charge	1,000
Mussel Boat expenditure	<u>12,000</u>

Total Expenditure 23,500

Surplus/(deficit) for the year **(14,000)**