

The Highland Council

Ross and Cromarty Committee – 3 February 2016

Agenda Item	11d
Report No	RC/011/16

**Invergordon Common Good Fund – Quarter 3 Monitoring Report 2015/16 and Budget Setting 2016/17**

**Joint Report by the Director of Finance and the Head of Policy and Reform**

**Summary**

This report invites Members to scrutinise and note the Invergordon Common Good Fund (ICGF) Quarter 3 monitoring report for 2015/16 and to approve the budget for the Invergordon Common Good Fund for 2016/17.

**1. Quarter 3 Monitoring Report**

1.1 **Appendix I** of this report shows the Quarter 3 Monitoring Statement in respect of the Invergordon Common Good Fund for 2011/16.

1.2 The rental income received is £3,600 against the budget of £3,000. This is the result of a rent review which increased the rent charged by £300 per year to £3,300 and backdated that charge to 2014/15. The anticipated out turn for 2015/16 is therefore amended to £3,600 but this will drop back to £3,300 for 2016/17.

1.3 There has been no spend to date on the property so the £1,000 property budget remains available. No costs have as yet been incurred but the out turn has been left at the £1,000 anticipated in case any minor repairs are required.

**2. Proposed Budget for 2016/17**

2.1 A proposed budget for 2016/17 is set out in Appendix 2 of the report.

**2.2 Anticipated Revenue for 2015/16**

**2.2.1 Rental Income**

As noted above the rent charge for the town hall has been increased to £3,300 per year and the budget shown reflects this.

2.2.2 **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 2016/17.

## 2.3 **Anticipated Expenditure**

The main revenue budget headings can be summarised as follows:

### 2.3.1 **Property Costs**

Property costs have tended to be low, with just essential repairs being carried out to the Town Hall. It is proposed that a modest budget of £1,000 be retained for minor repairs that may be required.

2.3.2 Members will be aware from previous reports that in the longer term the property is in need of substantial repair and renovation which will probably require a community partnership approach to achieve. This is likely to result in a capital project which would require Common Good resources to support it in the future but at this stage no expenditure beyond minimum essential repairs are anticipated. Any proposed refurbishment project would of course be brought to Members for detailed consideration and approval.

### 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.

### 3.3.4 **Grants to the Community**

Given the limited level of income and the likely future requirement of the town hall building it is proposed that no grants be made in 2016/17 in order to protect the reserves. This is in line with the principle that funds should be allocated to essential expenditure first.

## 4. **Implications**

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

4.2 **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 2015/16 will result in a surplus of £2,800. This will increase the balance on revenue reserves which stood at £62,255 at the end of March 2015. The proposed budget for 2016/17 will result in an anticipated surplus of £2,500 which would further increase the revenue reserves. Over coming months officers will also be working with Members and partners to develop a strategic approach taking into consideration the repairs needs of the Town Hall, potential refurbishment costs and income sources. Protecting the level of Revenue Reserves as far as is possible will support any longer term strategy.

**Recommendation**

The Committee is invited to scrutinise and note the Quarter 3 Monitoring Statement as attached in Appendix 1 and approve the Invergordon Common Good Fund budget for 2016/17 shown in Appendix 2.

Designation: Derek Yule, Director of Finance and Carron McDiarmid, Head of Policy and Reform.

Date: 20 January 2016

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**Appendix One**

**Invergordon Common Good - Quarterly  
Monitoring (Q3)  
Period to 31 December  
2015**

<b>Income</b>	<b>Actual to date £</b>	<b>Budget £</b>	<b>Expected Outturn £</b>	<b>Estimated Variance £</b>
Rents	3,600	3,000	3,600	600
Interest and investment income	-	300	300	-
<b>Total Income</b>	<b>3,600</b>	<b>3,300</b>	<b>3,900</b>	<b>600</b>
<b>Expenditure</b>				
Property costs	-	1,000	1,000	-
Admin charges	-	100	100	-
<b>Total Expenditure</b>	<b>-</b>	<b>1,100</b>	<b>1,100</b>	<b>-</b>
<b>Income less Expenditure</b>	<b><u>3,600</u></b>	<b><u>2,200</u></b>	<b><u>2,800</u></b>	<b><u>600</u></b>

## Appendix Two

	<b>Proposed Budget for 2016/17</b>
<b>Invergordon Common Good Fund –</b>	
<b>Expenditure</b>	
Property Costs	1000
Grants	0
Administration charges	100
Total expenditure	<u>1,100</u>
<b>Income</b>	
Rents	3,300
Refund of administration charges	
Miscellaneous	
Interest and investment income	300
Total income	<u>3,600</u>
<b>Surplus/(deficit) for the year</b>	<u><b>2,500</b></u>