

Agenda item	14e
Report no	RC/033/18

THE HIGHLAND COUNCIL

Committee: Ross and Cromarty

Date: 15 August 2018

Report Title: **Tain Common Good Quarter 1 Monitoring Report**

Report By: Derek Yule, Depute Chief Executive and Director of Corporate Resources
Carron McDiarmid, Head of Policy and Reform

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 2018.

2.

Recommendation

2.1 Members are asked to:

- i. Consider and scrutinise the position of the Tain Common Good Fund, as shown in the Quarter One Monitoring Statement against budget.

3. Quarter 1 Monitoring Statement – Income

3.1 A monitoring statement showing transactions to the end of June 2018 against budget is attached as Appendix One.

3.2 All the properties and grazings were let as at the end of June and the grazings are fully paid for. However, units 4 and 5 of the Market Street Stalls will be vacant from end July 2018 as the tenant is moving to a larger property in the town. Some external works are being done to the property after which it will be re advertised. The year's rental for this property will therefore be reduced with the amount depending on how long the void period is. However grazing let income is slightly up and more income has been received from the 2 circuses that have visited/are due to visit than was expected. As a result the expected outturn remains at £7,620 at present but this will need to be reviewed depending on when the Market street stall units are re-let.

4. Quarter 1 Monitoring Statement – Expenditure

4.1 Property costs

Members will recall that significant tree work was done in 2017 after which replanting was required. This work was expected to be completed in March 2018 and the 2017/18 budget outturn was amended to allow for this, it was not included in the proposed 2018/19 budget. The planting has now been completed in this financial year and the cost is included in the property expenditure to date. This means that the out turn for 2017/18 was lower than anticipated but will be correspondingly higher this year. There will also be spend incurred in relation to roof work and re pointing of the Market Street stalls, including the erection of scaffolding, as noted in paragraph 3.2 above. As a result of these unanticipated charges the estimated outturn has been amended to £12,500, representing an overspend against budget of £10,500.

4.2. Tain Mussel Fishery

The spend so far in relation to the fishery relates to the work and advice commissioned from Herriot Watt – this is the last element of the work previously tendered for.

The intention is to have a spring spat survey carried out by Herriot Watt when they are doing other work in the Firth so that the full cost of a boat charter is avoided. Herriot Watt are still willing in principle to do this but the opportunity has not yet arisen.

5. Implications

4.1 Resource –There are resource implications for the Tain Common Good Fund within the report. With a relatively low level of income for property and grazing, essential maintenance such as the repairs to the Market Street stalls mean that the fund will operate at a deficit. Similarly although little expenditure has been incurred to date this year in relation to the fishery, the mussel survey work required to identify if/when the stock qualities have risen to sustainable levels for fishing must be incurred at some point if the possibility of future income is to be identified. With the amended budget as outlined in the report an overall deficit of £21,417 is anticipated at the year end. This is against a figure of usable revenue reserves of £230,499 as at 31 March 2018 (NB: this

figure is unaudited figure. There is also a Capital Receipts Reserve of £119,530 which is the net receipt from the mussel boat after the sale costs were deducted. This is held separately within the Usable Reserves as requested by Members).

Risk – The Council does not have in house expertise in relation to the operation of a mussel fishery but is dependent on external professional advice. The advice received to date was procured via a tender process to ensure best value and has been very helpful but further advice will have to be sourced on an as needs basis. There is also a risk that unit 4/5 Market Street stalls does not attract potential tenants or a lower rent is offered. This would reduce future income potential.

Community - The local community are concerned about the health of the mussel fishery and the Common Good Fund overall but there are no other implications.

Legal - 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 applied by the Finance Service, funds will remain compliant with all financial regulations.

Equality, Poverty, Climate Change/Carbon Clever, Gaelic and Rural – none

Designation: Derek Yule, Depute Chief Executive and Director of Corporate Resources
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Date: 30 July 2018

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Appendix One

Tain Common Good - Quarterly Monitoring Period to 28 June 2018

INCOME	Actual to date £	Budget £	Estimated Outturn £	Variance £
Rents	3,382	7,620	7,620	-
Interest and investment income	-	1,600	1,600	-
TOTAL INCOME	3,382	9,220	9,220	-
EXPENDITURE				
Staff Costs	-	2,009	2,009	-
Property costs	1,710	2,000	12,500	10,500
Central Support Charges	-	1,000	1,000	-
Tain Mussel Fishery	1,185	15,000	15,000	-
Tain Mussel Fishery Boat	128	-	128	128
TOTAL EXPENDITURE	3,023	20,009	30,637	10,628
Income less Expenditure	<u>359</u>	<u>(10,789)</u>	<u>(21,417)</u>	<u>(10,628)</u>