|  |  |  |
| --- | --- | --- |
|  | Agenda item |  |
|  | Report no | **RC/0\*\*/19** |

**THE HIGHLAND COUNCIL**

|  |  |
| --- | --- |
| **Committee:** | Ross and Cromarty |
| **Date:** | 30 January 2019 |
| **Report Title:** | **Fortrose and Rosemarkie Common Good Fund -****Quarter 3 monitoring report 2018/19 and Budget 2019/20** |
| **Report By:** | Derek Yule, Depute Chief Executive and Director of Corporate ResourcesAlison Clark, Acting Head of Policy  |

|  |  |
| --- | --- |
| **1.** | **Purpose/Executive Summary** |
| **1.1** | This report presents the Quarter 3 monitoring statement for the Fortrose and Rosemarkie Common Good Fund and puts forward a proposed budget for 2019/20.  |
| **2.** | **Recommendation**  |
| **2.1**  | This report asks Members to scrutinise and note the Quarter 3 monitoring statement for the Fortrose and Rosemarkie Common Good Fund and to consider and approve the proposed 2019/20 budget for the Fund. |

|  |  |
| --- | --- |
| **3.** | **Quarter 3 Monitoring Statement** |
| 3.1 | A monitoring statement showing transactions to the end of December 2018 against budget and estimated year end position is attached at **Appendix 1**. |
| 3.2 | **Income** received from rental properties to date is £12,223. The total income for 2018/19 will show in Quarter 4 monitoring statement along with income from interest for the year.  |
| 3.3 | **Expenditure** to date remains at a minimal level and relates to property costs and the Common Good Fund’s proportion of the cost of the Common Good Fund Officer post. As previously agreed by Members spend has been kept to a minimum in order to limit the impact on the reserves of the fund while the coastal erosion protection works are completed. |
| 3.4 | **Coastal Protection Works** – The essential coastal protection works at Rosemarkie have now commenced. Through the procurement process the successful tender came under the budget set for the completion of the works and therefore the estimated outturn has been amended to reflect this. |
| 3.5 | The estimated year-end position is a deficit of £29,498 against a budgeted deficit of £131,228. This represents a positive variance against budget as a result of the reduced project costs. |
| **4.** | **Proposed Budget for 2019/20** |
| 4.1 | A proposed budget for 2019/20 is set out in **Appendix 2** of the report for the Committee to consider.  |
|  |  |
| 4.2 | **Rental Income**The income for 2019/20 is due from expected interest and rental income for Fortrose Town Hall, King George V Playing Field (rent reviews due in April 2019), Fortrose Bay Caravan Site, Rosemarkie Caravan Site and the Golf Club Car Park. Pending rent reviews, it is proposed for the budget to remain at £13,022. |
| 4.3 | **Interest on Revenue Balances** – Assuming that the current low interest rates continue and as a result of the anticipated reduced level of reserves it is anticipated that interest receivable on projected surplus balances will be approximately £500 in 2019/20. |
| 5. | **Anticipated Expenditure** |
| 5.1 | **Central Support**Expenditure in this regard relates to support from Corporate Resources and a proportion of the costs of the Common Good Fund Officer post. It is proposed that a sum of £1,000 is budgeted.  |
| 5.2 | **Property Costs**Property Costs – This relates to insurance and property costs which have tended to be low as the properties are leased. It is suggested that a revenue property budget of £2,000 be set for 2019/20 to cover urgent repair works. |
|  |  |
| 5.3 | **Grants to the Community** In order to protect reserves and the likely future requirement for protection or development of Common Good assets, it is proposed a budget of £1,000 be made available for small grants to community groups. |
| 5.4 | **Projects**Capital projects for development or protection of assets would require separate consideration and an appropriate funding package which would be brought to future Committee for consideration. |
| 5.5  | The proposed budget will result in a surplus of £9,522. Total available reserves as at 31 March 2018 were £198,156.  |
|  |  |
| **6.** | **Implications** |
| 6.1 | There are no equalities, Carbon Clever/Climate Change, Rural, Risk or Gaelic implications in the report.  |
| 6.2 | **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.  |
| 6.3 | **Community (Equality, Poverty and Rural) -** It is proposed that a budget be available to allow small grants to be made to community groups. Any future major project for the protection or improvement of assets would seek to improve equality of access.  |

Designation: Derek Yule, Depute Chief Executive and Director of Corporate Resources

Alison Clark, Acting Head of Policy

Date: 18 January 2019

Authors: Diane Agnew, Ward Manager

 Steven Wright, Trainee Accountant

**Appendix 1**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Fortrose and Rosemarkie Common Good - Quarterly Monitoring** |  |  |  |  |
| **Period to 03 January 2019** |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
|  | **Actual to date** |  | **Budget** |  | **Year End Estimate** |  | **Variance** |
| **INCOME** | **£** |  | **£** |  |  |  | **£** |
|  |  |  |  |  |  |  |  |
| Rents | 12,223 |  | 13,022 |  | 13,022 |  | 0 |
| Interest and investment income | 0 |  | 750 |  | 750 |  | 0 |
| Contributions – Project Costs | 0 |  | 0 |  | 50,000 |  | 50,000 |
| **TOTAL INCOME** | 12,223 |  | 13,772 |  | 63,772 |  | 50,000 |
|  |  |  |  |  |  |  |  |
| **EXPENDITURE** |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| Staff Costs - CGF Officer | 639 |  | 1,000 |  | 1,000 |  | 0 |
| Grants and Donations | 0 |  | 5,000 |  | 1,000 |  | (4,000) |
| Property costs | 964 |  | 1,500 |  | 1,500 |  | 0 |
| Central support | 0 |  | 500 |  | 500 |  | 0 |
| Rosemarkie Coastal Protection Works | 0 |  | 137,000 |  | 89,270 |  | (49,730) |
| **TOTAL EXPENDITURE**  | 1,603 |  | 145,000 |  | 93,270 |  | (51,730) |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| **Income less Expenditure** | **10,620** |  | **(131,228)** |  | **(29,498)** |  | **103,730** |

 **Appendix 2**

|  |  |  |  |
| --- | --- | --- | --- |
| **FORTROSE AND ROSEMARKIE COMMON GOOD FUND** |  |  |  |
| **PROPOSED BUDGET 2019/20** |  |  |  |
|  | **2019/20** |  | **2018/19** |
|  | **£** |  | **£** |
| **INCOME** |  |  |  |
| Rents | 13,022 |  | 13,022 |
| Contributions to Projects |  |  | 50,000 |
| Interest and investment income | 500 |  | 750 |
| **TOTAL INCOME** | **13,522** |  | **63,772** |
|  |  |  |  |
|  |  |  |  |
| **EXPENDITURE** |  |  |  |
| Property costs | 2,000 |  | 1,500 |
| Rosemarkie Coastal Protection Works | - |  | 89,270 |
| Grants | 1,000 |  | 1,000 |
| Special CG Projects | - |  | 1,000 |
| Central Support | 1,000 |  | 500 |
| **TOTAL EXPENDITURE** | **4,000** |  | **92,770** |
|  |  |  |  |
| **Surplus/(deficit) for year** | **9,522** |  | **(29,498)** |