

Agenda item	13d
Report no	RC/012/19

THE HIGHLAND COUNCIL

Committee: Ross and Cromarty

Date: 30 January 2019

Report Title: Invergordon Common Good Fund – Quarter 3 monitoring report and 2018/19 Budget

Report By: Derek Yule, Depute Chief Executive and Director of Corporate Resources
Alison Clark, Acting Head of Policy

1. Purpose/Executive Summary

- 1.1 This report presents the Quarter Three monitoring statement for the Invergordon Common Good Fund and puts forward a proposed budget for 2019/20. The report also outlines the public consultation due to take place in relation to the Invergordon Town Hall in line with the Community Empowerment legislation.

2. Recommendation

- 2.1 This report asks Members to scrutinise and note the Quarter 3 monitoring statement for the Invergordon Common Good Fund and to consider and approve the proposed 2019/20 budget for the Fund.

1. Quarter 3 Monitoring Statement

- 1.1 A monitoring statement showing transactions to the end of December 2018 against budget and estimated year end position is attached at **Appendix 1**.
- 1.2 **Income** - Invergordon Town Hall is rented to Highlife Highland at a rent of £3,300 for 2018/19. A small amount of income in the form of interest on revenue balances is expected in the 4th quarter.
- 1.3 **Expenditure** - There has been a small charge for the Invergordon Common Good Fund's proportion of the costs of the Common Good Fund Officer but no other expenditure has been incurred so far this financial year. The property budget is set for minor essential repairs to the Town House and as yet none have been required. The budget surplus shown is therefore still anticipated and may in fact prove to be slightly greater than anticipated.

2. Proposed Budget for 2018/19

- 2.1 A proposed budget for 2018/19 is set out in **Appendix 2** of the report for the Committee to consider.
- 2.2 **Anticipated Revenue for 2018/19.**
 - 2.2.1 **Rental Income**

The income to the ICGF comes from the rent charge for the town hall which stands at £3,300 per year. This rent level is due to be reviewed in 2019 and this can be amended as required. This will need to be considered in light of any decision regarding the future of the property which is discussed at 2.4 below.
 - 2.2.2 **Interest on 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 2019/20.
 - 2.2.3 **Anticipated Expenditure**
- 2.3.1 **Staff Costs** - A budget has been allocated for 2018/19 of £1000 to meet Invergordon Common Good Fund's proportion of the Common Good Fund Officers cost.
- 2.3.2 **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. It is known that there is significant work which is required on the building longer term which needs to be factored into the decision on the future of the property.

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.

2.3.4 **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 2018/19 in order to protect reserves. This is in line with the principle that funds should be allocated to essential expenditure first.

2.4 **Next Steps**

The budget proposed for 2019/20 is a minimum budget to keep the town hall operational in the coming months and allow Members to consider further options for the premises. As Members will be aware it does require significant refurbishment and at the November 2018 Ross and Cromarty Committee, Members agreed that options including disposal of the Town Hall by sale or a long lease be explored within the framework of the Community Empowerment (Scotland) Act 2015. The first step is to seek views from the community through a public consultation. A procedure and guidance is now in place for this and it is hoped that the consultation will be launched by the end of January 2019. The consultation must run for a period of 8 weeks so feedback from this will be incorporated into a report to the May 1st 2019 Committee meeting.

3. **Implications**

3.1 There are no equalities, Carbon Clever/Climate Change, Rural, Risk or Gaelic implications in the report. However depending on the outcome of the Community Empowerment consultation proposals may be brought to Members about the future of the Town Hall that will have significant implications. Such implications will be highlighted to Members in any report outlining future options.

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.

The anticipated out turn for 2018/19 will result in a surplus of £1,500. This will increase the balance on revenue reserves which stood at £71,568 at the end of March 2018.

Designation: Derek Yule, Depute Chief Executive and Director of Corporate Resources
Alison Clark, Acting Head of Policy

Date: 18 January 2019
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Appendix 1

**Invergordon Common Good -
Quarterly Monitoring
Period to 03 January 2019**

	Actual to date £	Budget £	Estimated Outturn £	Variance £
Income				
Rents	3,300	3,300	3,300	0
Interest and investment income	0	300	300	0
Total Income	<u>3,300</u>	<u>3,600</u>	<u>3,600</u>	<u>0</u>
Expenditure				
Staff Costs	493	1,000	1,000	0
Property costs	0	1,000	1,000	0
Admin charges	0	100	100	0
Total Expenditure	<u>493</u>	<u>2,100</u>	<u>2,100</u>	<u>0</u>
Income less Expenditure	<u><u>2,807</u></u>	<u><u>1,500</u></u>	<u><u>1,500</u></u>	<u><u>0</u></u>

Appendix 2

	Proposed Budget for 2019/20
Invergordon Common Good Fund	
Income	
Rents	3,300
Interest and investment income	300
Total income	<u>3,600</u>
Expenditure	
Property Costs	1000
Staff Costs	1000
Administration charges	100
Total expenditure	<u>2,100</u>
Surplus/(deficit) for the year	<u><u>1,500</u></u>