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| Agenda Item | 14a       |
| Report No   | CIA/11/19 |

## HIGHLAND COUNCIL

**Committee:** City of Inverness Area Committee

**Date:** 21 February 2019

**Report Title:** Inverness Common Good Fund Financial Monitoring

**Report By:** Inverness City Area Manager

### Purpose/Executive Summary

This report presents the expenditure monitoring position for the Inverness Common Good Fund as at 03 January 2019 and the projected year end position.

### Recommendations

Members are asked;

- to consider the financial monitoring report to 03 January 2019; and note that overall expenditure is within agreed budgets;

## 2. Introduction

2.1 This report is produced in support of the Council's corporate governance process. The purpose of the report is to advise members of the anticipated financial position against the agreed budget at the end of financial year 2018/19. **Appendices 1 and 2** show both core and project income and expenditure to 03 January 2019, the predicted year end outturn and the predicted variance.

2.2 **Appendix 3** provides members with more detail on the Events Management Budget.

## 3. Overview

3.2 **Appendix 1** shows core revenue expenditure for the year of £2.315m to be met by revenue income of £2.366m (including a transfer from Reserves of £0.211m), which would deliver a revenue surplus of £0.051m for commitment to Projects. An overspend of £0.034m is anticipated with commentary on significant variances provided below.

3.3 **Appendix 2** shows project spend of £0.985m, to be funded from the revenue surplus as outlined in 3.1, with the remaining balance to come from Reserves. An underspend of £0.891m is currently expected on project spend.

3.4 Any further requests for additional funding or new initiatives requiring funding will be brought to subsequent meetings of this committee for approval.

3.5 The combined estimated outturn position is a net underspend of £0.827m

## 4. Variances – Core Revenue Expenditure

### 4.1 Victorian Market

An overspend of £0.009m is anticipated as a result of increased expenditure on marketing and publicity in addition to higher utilities and NDR costs resulting from the internal use of units within the market.

### 4.2 Investment Advisor Fees

An overspend of £0.010m is anticipated for the unbudgeted ICGF share of fees payable to the external investment advisor to the Investment Sub-Committee.

### 4.3 Civic and Conference Hospitality

The expected overspend of £0.08m is partly due to the popularity of the Town House as a civic venue and the increased number of special/exceptional events that have taken place this year. Such as the WW1 centenary commemorations that took place in 2018.

### 4.4 Partnership Working

As a result of the Street Festival not going ahead this year an underspend of £0.008m is anticipated.

### 4.5 Property Management Fees

Due to increased rent collections in the year there has also been an increase in fee charged for property management services resulting in an overspend against the budget of £0.013m

### 4.6 Central Support

An overspend of £0.020m is anticipated as a result of the unbudgeted ICGF share of funding for the Common Good Officer. The provision of this service having been previously agreed.

## 5. Variances - Projects

### 5.1 Town House Refurbishment – Phase 3

Since last reported to members the estimated underspend in this financial year has been revised to £0.616m. As previously reported this underspend represents a timing issue and does not impact on the overall cost of the project.

### 5.2 Ness Islands – Structural Maintenance Programme

As previously reported an overspend £0.010m is currently anticipated due to additional bridge works being required.

### 5.3 Victorian Market – Opportunities for Improvement

This generic project budget of £0.150m is no longer required as improvement projects within the Victorian Market are now reported on a project by project basis on the face of the monitoring statement.

5.4 Victorian Market – Shop Front Redesign

An underspend of £0.010m is currently anticipated in this financial year. This budget was set for initial planning/scoping works to be carried out in 2018/19, with the main project being undertaken in future years.

5.5 Victorian Market – Academy Street Entrance

An underspend of £0.100m is currently anticipated in this financial year. This is a result of the phasing of the project work and represents a timing issue with no bearing on the total cost of the project.

5.6 Town House – Civic Floor

Planned improvements for the civic floor for 2018/19 were focussed on the toilet facilities. This work will not now be completed in this financial year and it is proposed the budget is carried forward into 2019/20.

**5. Implications**

- 5.1 The report details the financial resource implications. There are no other resource implications. There are no Equalities, Climate Change/Carbon Clever, Legal, Gaelic, Risk or Rural Implications.

Designation: Inverness City Area Manager

Date: 25 January 2019

Author: David Haas, Inverness City Area Manager

Background Papers:

**APPENDIX 1  
MONITORING STATEMENT 2018/19  
INVERNESS COMMON GOOD FUND CORE SPEND  
FOR PERIOD ENDING 03 JANUARY 2019**

|  | <b>ACTUAL<br/>YEAR TO DATE</b> | <b>ANNUAL<br/>BUDGET</b> | <b>ESTIMATED<br/>OUTTURN</b> | <b>ESTIMATED<br/>VARIANCE</b> |
|--|--------------------------------|--------------------------|------------------------------|-------------------------------|
|  | <b>£000</b>                    | <b>£000</b>              | <b>£000</b>                  | <b>£000</b>                   |
| <b>EXPENDITURE</b>                               |                                |                          |                              |                               |
| Victorian Market                                 | 140                            | 216                      | 225                          | 9                             |
| Victorian Market Management                      | 34                             | 45                       | 45                           | 0                             |
| Town House Maintenance                           | 24                             | 100                      | 100                          | 0                             |
| Investment Advisor Fees                          | 5                              | 0                        | 10                           | 10                            |
| 1-5 Church Street Maintenance                    | 8                              | 20                       | 20                           | 0                             |
| Other Properties                                 | 53                             | 104                      | 104                          | 0                             |
| Civic and Conference Hospitality                 | 130                            | 132                      | 140                          | 8                             |
| Ness Islands & Bank Maintenance                  | 0                              | 35                       | 35                           | 0                             |
| River Ness Fishings                              | 0                              | 20                       | 20                           | 0                             |
| Festive Lights                                   | 0                              | 65                       | 65                           | 0                             |
| Town Twinning                                    | 2                              | 9                        | 9                            | 0                             |
| Winter Payments                                  | 92                             | 132                      | 132                          | 0                             |
| Inverness Common Good Fund Grants                | 217                            | 518                      | 518                          | 0                             |
| Conference Support                               | 10                             | 48                       | 48                           | 0                             |
| City Promotions                                  | 19                             | 44                       | 44                           | 0                             |
| Disabled Go Project (2013-18)                    | 8                              | 8                        | 8                            | 0                             |
| Castle Wynd Conveniences                         | 22                             | 23                       | 23                           | 0                             |
| Partnership Working                              | 99                             | 112                      | 104                          | (8)                           |
| Events & Festivals                               | 246                            | 340                      | 340                          | 0                             |
| CCTV   | 0                              | 90                       | 90                           | 0                             |
| Property Management Fees                         | 137                            | 124                      | 137                          | 13                            |
| Central Support                                  | 10                             | 60                       | 80                           | 20                            |
| Inverness Steeple                                | 10                             | 10                       | 10                           | 0                             |
| Commemorative Bedding                            | 0                              | 8                        | 8                            | 0                             |
| <b>TOTAL EXPENDITURE</b>                         | <b>1266</b>                    | <b>2,263</b>             | <b>2,315</b>                 | <b>52</b>                     |
| <b>FUNDED BY:</b>                                |                                |                          |                              |                               |
| <b>Rents &amp; Lettings</b>                      |                                |                          |                              |                               |
| Industrial Estates                               | 1375                           | 1500                     | 1500                         | 0                             |
| Victorian Market                                 | 198                            | 247                      | 247                          | 0                             |
| Town House                                       | 259                            | 258                      | 259                          | (1)                           |
| 1-5 Church Street                                | 87                             | 75                       | 87                           | (12)                          |
| Other Properties                                 | 31                             | 36                       | 36                           | 0                             |
| <b>Other Income</b>                              |                                |                          |                              |                               |
| Fishing Assessment Dues                          | 19                             | 20                       | 20                           | 0                             |
| Contribution to Grants from Reserves             | 0                              | 203                      | 203                          | 0                             |
| Contribution to Conference Support from Reserves | 0                              | 8                        | 8                            | 0                             |
| VAT on Management Fees                           | 2                              | 0                        | 5                            | (5)                           |
| Interest on Revenue Balances                     | 0                              | 1                        | 1                            | 0                             |
| <b>TOTAL FUNDING</b>                             | <b>1971</b>                    | <b>2348</b>              | <b>2366</b>                  | <b>(18)</b>                   |
| <b>AVAILABLE TO FUND PROJECT SPEND</b>           | <b>705</b>                     | <b>85</b>                | <b>51</b>                    | <b>34</b>                     |

**APPENDIX 2  
MONITORING STATEMENT 2018/19  
INVERNESS COMMON GOOD FUND PROJECT SPEND  
FOR PERIOD ENDING 03 JANUARY 2019**

|  | <b>ACTUAL<br/>YEAR TO DATE</b> | <b>ANNUAL<br/>BUDGET</b> | <b>ESTIMATED<br/>OUTTURN</b> | <b>ESTIMATED<br/>VARIANCE</b> |
|--|--------------------------------|--------------------------|------------------------------|-------------------------------|
|  | <b>£000</b>                    | <b>£000</b>              | <b>£000</b>                  | <b>£000</b>                   |
| <b>PROJECT SPEND</b>                             |                                |                          |                              |                               |
| Town House Refurbishment - Phase 2               | 11                             | 100                      | 100                          | 0                             |
| Town House Refurbishment - Phase 3               | 307                            | 1116                     | 500                          | (616)                         |
| Refurbishment 1-3 Church St                      | 0                              | 0                        | 0                            | 0                             |
| Ness Islands - Structural Maintenance Programme  | 0                              | 132                      | 142                          | 10                            |
| Victorian Market - Opportunities for Improvement | 0                              | 150                      | 0                            | (150)                         |
| Lotland Street Starter Unit/ Alternative         | 0                              | 0                        | 0                            | 0                             |
| Victorian Market - Shop Front Redesign           | 24                             | 40                       | 30                           | (10)                          |
| Old High Church Clock                            | 7                              | 30                       | 30                           | 0                             |
| Victorian Market -Academy St Entrance            | 24                             | 200                      | 100                          | (100)                         |
| Cavell Gardens Improvement Works                 | 3                              | 55                       | 50                           | (5)                           |
| Town House - Civic Floor                         | 0                              | 20                       | 0                            | (20)                          |
| Whin Park Improvement Works                      | 0                              | 33                       | 33                           | 0                             |
| <b>TOTAL</b>                                     | <b>376</b>                     | <b>1876</b>              | <b>985</b>                   | <b>(891)</b>                  |
| <b>FUNDS AVAILABLE FOR PROJECT SPEND</b>         | <b>705</b>                     | <b>85</b>                | <b>51</b>                    | <b>34</b>                     |
| <b>BALANCE TO BE FUNDED BY RESERVES</b>          | <b>329</b>                     | <b>(1,791)</b>           | <b>(934)</b>                 | <b>(857)</b>                  |

**APPENDIX 3**  
**Events and Festivals Budget Monitoring**  
**For Period Ending 03 January 2019**

|                        | <b>ACTUAL</b>       |
|------------------------|---------------------|
|                        | <b>YEAR TO DATE</b> |
|                        | <b>£</b>            |
| <b>Income</b>          |                     |
| Grants                 | 0                   |
| Income                 | (41,460)            |
|                        | <hr/>               |
|                        | (41,460)            |
| <br><b>Expenditure</b> |                     |
| Council Staff          | 2,934               |
| Entertainers           | 66,057              |
| Equipment              | 110,706             |
| Event Office           | 53,934              |
| Licences               | 0                   |
| Marketing              | 30,367              |
| Security and First Aid | 23,342              |
|                        | <hr/>               |
|                        | 287,339             |
| <br><b>Net Total</b>   | <br><b>245,879</b>  |