

Agenda Item	14a
Report No	CIA/10/20

THE HIGHLAND COUNCIL

Committee: City of Inverness Area Committee

Date: 20 February 2020

Report Title: Inverness Common Good Fund
Financial Monitoring and Capital Project Report

Report By: Inverness City Area Manager

1. Purpose/Executive Summary

- 1.1 This report presents the expenditure monitoring position for the Inverness Common Good Fund as at 31 December 2019 and the projected year end position; and
- 1.2 Details the current status of capital projects.

2. Recommendations

- 2.1 Members are asked to:
 - i. Members are asked to consider the financial monitoring report to 31 December 2019; and note that overall expenditure is within agreed budgets
 - ii. Scrutinise the current status of capital projects

3. Implications

- 3.1 Resource - The report details the financial resource implications. There are no other resource implications.
- 3.2 Legal - None
- 3.3 Community (Equality, Poverty, Rural and Island) – None

3.4 Climate Change / Carbon Clever – None

3.5 Risk – None

3.6 Gaelic - None

4. Introduction

- 4.1 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 2019/20. **Appendices 1 and 2** show both core and project income and expenditure to 31 December 2019, the predicted year end outturn and the predicted variance.
- 4.2 **Appendix 3** provides members with more detail on the Events Management Budget.
- 4.3 **Appendix 4** details the current status of capital projects.

5. Overview

- 5.1 **Appendix 1** shows core revenue expenditure for the year of £2.386m to be met by revenue income of £2.397m (including a transfer from Reserves of £0.239m). core spend is expected to be on budget.
- 5.2 **Appendix 2** shows project spend of £2.081m to be funded fully from reserves. Expenditure on projects is anticipated to come in on budget.
- 5.3 Any further requests for additional funding or new initiatives requiring funding will be brought to subsequent meetings of this committee for approval.

6. Capital Projects

- 6.1 **Appendix 4** details the current status of capital projects.

Designation: Inverness City Area Manager

Date: 7 February 2020

Author: David Haas

Background Papers:

**APPENDIX 1
MONITORING STATEMENT 2019/20
INVERNESS COMMON GOOD FUND CORE SPEND
FOR PERIOD ENDING 31ST DECEMBER 2019**

	ACTUAL YEAR TO DATE	ANNUAL BUDGET	ESTIMATED OUTTURN	ESTIMATED VARIANCE
	£000	£000	£000	£000
EXPENDITURE				
Victorian Market Maintenance	24	48	48	0
Victorian Market Operations	136	193	193	0
Victorian Market Management	37	49	49	0
Town House Maintenance	36	100	100	0
1-5 Church Street Maintenance	1	10	10	0
Other Properties	49	94	94	0
Civic and Conference Hospitality	111	132	132	0
Ness Islands & Bank Maintenance	0	35	35	0
River Ness Fishings	0	20	20	0
Festive Lights	0	73	73	0
Town Twinning	3	9	9	0
Winter Payments	111	152	152	0
Inverness Common Good Fund Grants	131	540	540	0
Conference Support	40	42	44	2
City Promotions	38	68	68	0
Disabled Go Project (2013-18)	0	0	0	0
Castle Wynd Conveniences	14	23	23	0
Partnership Working	102	112	112	0
Events & Festivals	292	340	340	0
CCTV	0	90	90	0
Property Management Fees	0	140	140	0
Central Support Charge	9	80	80	0
Inverness Steeple	0	10	10	0
Commemorative Bedding	11	8	8	0
Investment Advisor Fees	0	10	10	0
Investment Management Fees	7	0	0	0
Press & Public Relations	0	10	10	0
TOTAL EXPENDITURE	1150	2,386	2,388	2
FUNDED BY:				
Rents & Lettings				
Industrial Estates	1351	1530	1530	0
Victorian Market	175	249	249	0
Town House	251	241	241	0
1-5 Church Street	71	75	75	0
ICGF Late Payment Fee/Interest	2	0	0	0
Other Properties	36	42	42	0
Other Income				
Fishing Assessment Dues	0	20	20	0
Benevolent Funds	0	0	0	0
Contribution to Grants from Reserves	0	225	225	0
Contribution to Conference Support from Reserves	0	2	2	0
Contribution to City Promotions from Reserves	0	13	13	0
VAT on Management Fees	2	0	0	0
Interest on Revenue Balances	0	1	1	0
TOTAL FUNDING	1889	2397	2397	0
AVAILABLE TO FUND PROJECT SPEND	739	11	9	2

**APPENDIX 2
MONITORING STATEMENT 2019/20
INVERNESS COMMON GOOD FUND PROJECT SPEND
FOR PERIOD ENDING 31ST DECEMBER 2019**

	ACTUAL YEAR TO DATE	ANNUAL BUDGET	ESTIMATED OUTTURN	ESTIMATED VARIANCE
	£000	£000	£000	£000
PROJECT SPEND				
Town House Refurbishment - Phase 3	1104	1800	1800	0
Ness Islands - Structural Maintenance Programme	11	10	10	0
Victorian Market - Shop Front Redesign	29	150	150	0
Victorian Market -Academy St Entrance	42	12	12	0
Cavell Gardens Improvement Works	6	5	5	0
Town House - Civic Floor	1	40	40	0
Whin Park Improvement Works	4	39	39	0
Victorian Market - Market Hall Improvements	0	25	25	0
Victorian Market - Opportunities for Improvement	5	0	0	0
TOTAL	1202	2081	2081	0
FUNDS AVAILABLE FOR PROJECT SPEND	739	11	9	2
BALANCE TO BE FUNDED BY RESERVES	(463)	(2,070)	(2,072)	2

APPENDIX 3
Events and Festivals Budget Monitoring
FOR PERIOD ENDING 31ST DECEMBER 2019

	ACTUAL
	YEAR TO DATE
	£
Income	
Grants	-
Merchandise Income	- 3,104
Income	- 54,502
	<hr/> 57,606
 Expenditure	
Entertainers	61,439
Equipment	152,928
Event Office	36,294
Council Staff	18,135
Marketing	35,918
Licences	2,549
Security and First Aid	27,474
Events Merchandise	14,692
	<hr/> 349,430
 Net Total	<hr/> <hr/> 291,824

Capital Projects Funded by Inverness Common Good Fund

1 General

- 1.1 This appendix provides project status information for current key capital projects funded by the Inverness Common Good Fund, including financial progress details, as of 7 February 2020.

2 Capital Programme Update

- 2.1 The current status of each individual project is summarised below.

2.4 Conservation of External Fabric Phase 3, Town House, Inverness

- 2.4.1 Acceptance letter issued on the 23 July 2018. Work commenced on site on 10 September 2018 and the completion date for is 11 September 2020.

Works are progressing well and on programme.

All decants have been undertaken and staff will start to relocate back to there original offices over the few months.

Additional works to part of the Castle Street elevation has been instructed and the additional costs will be used from the contract contingencies. It should be noted that if any further large additional items are found then additional funding may be required.

Agreed Total Common Good Funding	£3,204,083.57
Anticipated Final Account	£3,204,083.57

2.5 Victorian Market, Academy Street Entrance Upgrade

- 2.5.1 The project is now complete and in the defects period.

Agreed Total Common Good Funding	£20,147.60
Third Party Funding	£30,256.00
Total Project Costs	£50,403.60
Anticipated Final Account	£50,403.60

2.6 Civic Floor Male Toilet Refurbishment, Inverness Town House

- 2.6.1 Refurbishment drawings and tender documentation has been completed, tender costs have been received and are over budget, after looking at the tender costs further quotations will be sought. Once costs have been agreed Discussions with Civic Officer will be held to arrange an appropriate time for the works to take place as the toilets will be out of use for a period of four to six weeks.

Critical works on the external works package is currently being undertaken so this project will be put on hold until for these works are completed.

2.7 Victorian Market, Market Hall & Fish Market Refurbishment

- 2.7.1 The project was given approval to proceed to the design phase in November 2019. It was agreed that a signed contract will need to be in place by the end of March 2020 to gain additional third-party funding. The programme put in place is challenging but work is progressing well and currently on programme.

The project planning phase has been completed and the tender has been issued, tender returns are programmed to be returned mid-March 2020. Statuary Applications have been made and await responses. It is programmed for works to commence on site July 2020.

Concerns have been raised by the design team that the tender figure may be over the budget amount as a number of unforeseen items have been identified during the design process.

Agreed Total Common Good Funding	£1,500,000
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3. Governance

- 3.1 These projects are funded by the Inverness Common Good Fund and monthly Contract Monitoring reports will be issued to the Inverness City Manager, in line with governance arrangements.