

Agenda Item	8.
Report No	SCC/06/20

THE HIGHLAND COUNCIL

Committee: Sutherland County Committee

Date: 24 February 2020

Report Title: Dornoch Common Good – Q3 Monitoring 2019/20

Report By: Carron McDiarmid, ECO Communities and Place
Liz Denovan, ECO Resources and Finance

1. Purpose/Executive Summary

1.1 This report provides information on income and expenditure in relation to the Dornoch Common Good Fund for the period April to December 2019.

2. Recommendations

2.1 Members are asked to:

- i. consider the position of the Dornoch Common Good Fund, as shown in the Q3 monitoring statement against budget.

3. Implications

3.1 Resource

- An overspend against Miscellaneous Costs, detailed in 4.4 of the report, is anticipated and will be managed by limiting expenditure and through underspend against other budget lines. Any overspend at year end is affordable within current fund balances.
- The anticipated out-turn for 2019/20 provides a modest excess of income over expenditure protecting the Common Good Fund balance

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. Monitoring Report Q3 2019/20

4.1 A monitoring statement showing transactions to the end of December 2019 against budget and estimated year end position is attached at Appendix One.

4.2 Income

All rent invoices for 2019/20 and the outstanding Scottish Water rent from 18/19 have been settled in full. Additionally, following the conclusion of Scottish Water and MCA rent reviews (see below), invoices for the backdated rent increases have now been issued, but do not appear in the Q3 report.

4.3 Expenditure

Grants and Contributions (See Appendix Two) – £13,080 is currently committed: £2,580 has been paid to Dornoch Community Council for the beach toilets, with a further £500 agreed (but not yet paid) for beach parking. DACIC has not yet claimed the second of two payments of £10,000 for the Community Development Officer.

4.4 Explanation of Variances

Rent – the additional income derives from the outstanding Scottish Water rent from 18/19 and the backdated rent increases as outlined in 4.2 above.

Miscellaneous Costs - The variance is due to significant one-off property costs including installing wooden bollards at Dornoch Beach to control parking (£6,519) and the fees paid to date for the arbitration of the Scottish Water rent review (£3,000) – see 5.1 below. The variance is affordable within existing fund balances, but expenditure is being managed to reduce the year end variance.

5. Property Update

5.1 The Council and Scottish Water were unable to reach agreement over the rent review for Dornoch Pumping Station and Sewage Treatment Works, so the review was settled through independent arbitration. The Arbitrator agreed an increase in the rent, although not to the extent proposed by the Council and much closer to the level proposed by Scottish Water. Furthermore, the Arbitrator awarded Scottish Water half their costs meaning the Council has had to pay approx. £4,500 in total for the arbitration. (The Q3 report only includes the initial £3,000 fee paid by the Council.) While this is a disappointing result, the fees are covered by the rent increase backdated to 2015/16.

5.2 The Maritime and Coastguard Agency has agreed a new rent from 2017/2018 for the Coastguard station in Dornoch.

5.3 Both reviews have increased the annual income to Dornoch Common Good by £2,520.

5.4 Members approved a community consultation on a new lease with Royal Dornoch Golf Club at Sutherland County Committee in Aug 2019. The consultation is ongoing at the time of writing this report. Committee will be updated in due course.

5.5 Historylinks Museum has made an offer to purchase the museum site which is partly owned by Dornoch Common Good Fund. At the time of writing this report Members were still considering whether accepting the offer would be in the best interests of Dornoch Common Good Fund. Should Members be minded to accept the offer, a community consultation would be required as per the Community Empowerment Act.

Designation: ECO Communities and Place
ECO Resources and Finance

Date: 12 February 2020

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Appendix 1

	Actual to date	Budget	Estimated Outturn	Variance
INCOME	£	£	£	£
Rents	46,180	42,080	57,480	15,400
Interest and investment income	-	1,000	1,000	-
TOTAL INCOME	46,180	43,080	58,480	15,400
EXPENDITURE				
Staff Costs	1,168	1,500	1,500	-
Grants & contributions	2,580	25,000	25,000	-
Miscellaneous Costs	9,175	5,500	11,500	6,000
TOTAL EXPENDITURE	12,923	32,000	38,000	6,000
Income less Expenditure	33,257	11,080	20,480	9,400

Appendix Two - Grants and Contributions

Project	Amount
Dornoch Community Council - Beach Toilets	2,580.00
Dornoch Community Council - Beach parking	500.00
DACIC - Community Development Manager	10,000.00
Total	13,080.00