

Agenda Item	7
Report No	NC/09/20

THE HIGHLAND COUNCIL

Committee: Nairnshire Committee

Date: 16 September 2020

Report Title: Nairn Common Good Fund

Report By: Executive Chief Officer Communities and Place and Executive Chief Officer Resources and Finance

1. Purpose/Executive Summary

1.1 This report provides information on income and expenditure in relation to the Nairn Common Good Fund (NCGF) for the period April to June 2020. It asks Members to scrutinise and note the position of the NCGF as shown in the Quarter 1 Monitoring Statement found at **appendix 1**. The report also provides an update on the development of the Splash Pad on Nairn Links.

2. Recommendations

2.1 Members are asked to:

- i. Scrutinise and note the position of the NCGF as shown in the Quarter 1 Revenue Monitoring Statement.
- ii. Note the progress on delivery of the Splash Pad on the Links and the annual maintenance costs.

3. Implications

3.1 Resource - Financial implications are outlined in this report and as previously reported to this Committee. Expenditure continues to be kept to a minimum to build reserves for future projects and for the protection or development of Common Good Assets. As noted in section 5, work is required to develop an approach to income generation to ensure a source of revenue for development and replacement of new assets such as the Splash Pad.

3.2 Legal – The application of funds will fall within the competency guidelines set out both in statute and common law in relation to Common Good funds. The application of funds will comply with all financial regulations.

- 3.3 Community (Equality, Poverty, Rural and Island) – The development of the Splash Pad was based on extensive consultation by the Council and by Team Hamish. A screening for impact has been undertaken on the phase 1 Links Development which found that the splash pad should improve access to the facility for those with mobility difficulties and also attract a wider range of use from across the age groups. Improving a free-to-use community facility will overall increase access and use to people in Nairn and the wider community
- 3.4 Climate Change/Carbon Clever – none. Any future project for the protection or improvement of assets would seek to protect the environment and increase energy efficiency where possible.
- 3.5 Risk - To mitigate the risk to the Common Good Fund, consideration must be given as to the potential for income generation from Nairn Common Good assets to support ongoing maintenance and sustainability of other projects coming forward.
- 3.6 Gaelic - none

4. Quarter 1 Revenue Monitoring Report

- 4.1 A monitoring statement showing transactions against the budget for the period 1 April to 30 June 2020 and the estimated year end position is attached at **Appendix 1**.
- 4.2 **Income** – The income received to date relates principally to property rentals, which are anticipated to be on target. However, lettings are currently showing a nil income to date, with an anticipated deficit of £12,500. This is primarily due to the cancellation of the Nairn Highland Games as a result of COVID-19, where annual income is received from stalls and tendering for the provision of a hospitality tent but also the annual let of the Links by the Showmen’s Guild.
- 4.3 **Expenditure** – expenditure to date is on budget. Under property costs/maintenance, the spend outlined relates to grass cutting and grounds maintenance and Highlife Highland management fee for the Leisure Park and Paddling Pool/Splash Pad. Further costs are for the replacement of equipment and for maintenance works carried out across the Links to benches, shelters and noticeboards.

Although there was a delayed start to the grounds maintenance season due to COVID-19, Common Good sites continued to be prioritised and additional cuts given to these locations once lockdown eased. Whilst currently the estimated outturn is reporting on budget, work is taking place to quantify the costs to a disrupted start to the grounds maintenance season and the inspection regime required by Government guidance to reopen play parks. Work on the amenities review is re-starting and this will include a review of all cost recovery for grounds maintenance work. An updated position will be provided as part of quarter 2 monitoring.

Whilst Highlife Highland have not been required to undertake their normal duties related to the former paddling pool during 2020/21, there will be costs incurred for the new splash pad facility. This will be based upon the costs outlined in section five and dependent upon when the Splash Pad facility may be able to open. An updated position will be provided for quarter 2 monitoring.

The property costs currently showing of £3,500 are in respect to the wall at Mill Road which required urgent attention.

Project costs for the development of the Splash Pad are set out separately in appendix 1, highlighting the income and expenditure associated with the project.

5. Links Development Project – Phase 1 Splash Pad

- 5.1 The Links Development Plan was agreed by this committee in June 2019. A Project Team and Steering Group focused on developing a phase 1 project plan for the Links. It was agreed that this would focus initially on the redevelopment of the paddling pool site. The redevelopment of the paddling pool site with a splash pad activity area was found to be the most popular with the public through the development plan consultation. This was a partnership project with the Nairn Common Good, Team Hamish, Highland Council, NICE and Nairn BID.
- 5.2 The total cost of the Splash Pad development was £250,000. The cost of the equipment and installation of the Splash Pad was £214,351, with project management and contingencies totalling £35,649. The build part of the project was funded with £110,000 from Team Hamish and £100,000 from Nairn Common Good Fund with the remaining build, project management and contingencies funded by £15,000 from the Common Good Fund (previously committed for project development) and the remainder from Highland Council. The £100,000 Common Good contribution was agreed by this committee in [November 2019](#), following the development of a business case for the project. The project was delivered and managed by the Council's project development team.
- 5.3 Due to COVID-19 the planned works for installation of the Splash Pad were unable to commence in March as intended and did not begin until the lifting of restrictions in June. Work began on 15 June 2020 and the facility was completed one month ahead of schedule at the end of August. Pictures of the completed Splash Pad can be found at **appendix 2**.
- 5.4 Although the splash pad is now complete, guidance is awaited from the Scottish Government on when the facility can open given the current COVID-19 restrictions.
- 5.5 Initial maintenance costs for the facility were outlined to Members in November 2019. Final costs are outlined below. These are comprised of daily operational checks and ongoing maintenance required to ensure safe operation and replacement of rubber matting over a 4 year period. There have been some revisions to the initial costings:
- An increase in the estimated costs of daily operational checks and maintenance. Whilst supervision is no longer required, the longer operating period (March-October) results in overall increased costs for the twice daily checks required. Weekly checks have also been built into the closed season.
 - Annual jet washing now built into the monthly maintenance costs
 - Based on advice, it is proposed not to remove the main equipment during the closed season as originally intended. This will therefore not incur the original costs expected for removal and storage. This will be reviewed after the first winter season.

Monthly Costs (8 months on season)	£1,551.29
Twice daily checks and maintenance	
Bacterial water checks	
Weekly jet washing	
HLH management costs	
Monthly Costs (5 months off season)	£114.22
Weekly check	
Monthly jet washing	
HLH management costs	
Total Annual Running Costs	£12,867
Annual Replacement Costs	£2,613
Rubber matting to be replaced every 3-5 years (estimated). Total costs £10,450, accounted for annually over 4 years.	
Total Annual Budget	£15,480

- 5.6 As discussed at the Committee in November 2019, a long-term strategy is required to support ongoing maintenance and ultimately replacement of new Common Good assets such as the Splash Pad and enable further development on Common Good land. Whilst the Common Good Fund has an investment strategy at present, an approach to income generation is required in order to ensure assets are protected and replaced as required and revenue generated to support ongoing development.

Designation: Executive Chief Officer Communities and Place
Executive Chief Officer Resources and Finance

Date: 2 September 2020

Author: Willie Munro, Ward Manager
Alison Clark, Head of Policy

Background Papers:

Appendix 1 – quarterly monitoring

Appendix 2 – Completed Splash Pad Photos

	Actual to date £	Annual Budget £	Estimated Outturn £	Variance £	
INCOME					
Rents	9,374	108,000	108,000	0	
Lettings	0	12,500	0	12,500	Wont receive due to Covid 19 games cancelled
Miscellaneous Income	27	125	125	0	
TOTAL INCOME	9,401	120,625	108,125	12,500	
EXPENDITURE					
Property Costs	3,500	67,000	67,000	0	
Electricity	215	2,000	2,000	0	
Water charges	249	750	750	0	
Rents, Rates and Insurance	0	3,550	3,550	0	
Central support	0	12,500	12,500	0	Includes CGF Officer
Advertising	0	250	250	0	
Legal Expenses	0	1,000	1,000	0	
TOTAL EXPENDITURE	3,964	87,050	87,050	0	
Income less Expenditure	5,437	33,575	21,075	12,500	
PROJECTS					
INCOME					
Contribution - Links Team Hamish	0	110,000	110,000	0	
Contribution - Links HQ Project Management	0	25,000	25,000	0	
	0	135,000	135,000	0	
EXPENDITURE					
Project Costs NCGF	3,156	15,000	15,000	0	
Project Costs HC	0	25,000	25,000	0	
Splash pad exp funded by Community	0	110,000	110,000	0	
Use of reserves for splash pad	0	100,000	100,000	0	
	3,156	250,000	250,000	0	





