

Agenda Item	8
Report No	ERA-17-20

THE HIGHLAND COUNCIL

Committee: Easter Ross Area Committee

Date: 5 November 2020

Report Title: Tain Common Good Fund – Quarter 2 Monitoring Report

Report By: ECO – Finance and Resources
ECO – Communities and Places

1. Purpose/Executive Summary

- 1.1 This report presents the Quarter Two monitoring statement for the Tain Common Good Fund. Income and expenditure are as agreed as part of the budget setting process.

2. Recommendations

- 2.1 This report asks Members to scrutinise and note the Quarter 2 monitoring statement for the Tain Common Good Fund.

3. Implications

- 3.1 **Resource:** The Quarter 2 monitoring statement indicates there will a deficit of £27,800 against the budget by the end of the financial year. This is as a result of essential expenditure related to Alexandra Bridge and the Tain Mussel Bed. This was forecast as part of the budget setting process. The Usable Revenue Reserves stood at £223,440 at 31st March 2020 with a capital receipts reserve of £119,530 (NB this is an unaudited figure). The anticipated deficit will reduce the Usable Reserves to £195,640.
- 3.2 Every effort is made to limit spend and to protect the balances of the Tain Common Good Fund (TCGF) however essential repairs were required to the Alexandra Bridge and a budget is also set aside for an initial survey to assess the levels of mussel stock. The mussel survey will be undertaken in order to assess the potential to secure a future income stream from the mussel fishing rights and is therefore important to the long-term position of the TCGF.
- 3.3 **Legal:** 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. The application of funds will comply with all financial regulations.

- 3.4 Community (Equality, Poverty and Rural): due to the lack of income there is no community grants budget. There are no other equality, poverty or rural implications as a result of the report.
- 3.5 Risk: without a potential income from the mussel beds, the TCGF will struggle to cover its costs and the ongoing repairs to its assets. The mussel survey is therefore essential in order to establish a long-term position for the TCGF and enable investment in common good assets.
- 3.6 Climate Change / Carbon Clever, Gaelic: None

4. Quarter 2 Monitoring Statement

- 4.1 A monitoring statement showing transactions to the end of September 2020 against budget and the estimated year end position is attached at Appendix 1.

4.2 Income

- 4.2.1 The Market Street stalls and grazings are all let with income as shown in Appendix 1. The income received is in line with the total budgeted.

4.3 Expenditure

- 4.3.1 The main expenditure relates to the bracket replacement required for the Alexandra Bridge which has now been completed.
- 4.3.2 There is no expenditure to date for the Tain Mussel Fishery. The intertidal survey and a drop-down video survey required was planned for September but unfortunately this has been delayed. It is hoped that this will be carried out in the relatively near future subject to staffing and suitable tides. If the results of this work are promising, a more detailed survey would be required before the potential to lease out the right to operate the fishery could be considered further.

5. Update re enquiries received

- 5.1 Officers have received two enquiries relating to TCGF assets.
- 5.2 The old kiosk on Tain Links by the duck pond has been on the open market for offers for rent for approximately 2 years. One positive response has been received proposing a hot drinks/snack outlet. Local members are supportive of the proposal and the required public consultation under the Community Empowerment (Scotland) Act 2015 will start as soon as possible. Once the consultation is completed a decision on the offer can be made in the light of the comments received. This decision will be made by committee. If the lease is supported, permission from the Sheriff Court will also be required under the terms of the Community Empowerment legislation as this land is considered to be inalienable¹. Future reports will provide updates on this as appropriate.

¹ This means that there is a restriction regarding property or its purpose is clearly stated in the deed or gift to the Common Good Fund. Often this states it has been specifically dedicated for public use or it has to be used in a certain beneficial way for a lengthy period of time (time immemorial). In this case the main part of the links derives title from the Royal Charter and has been used for public purposes ever since, namely "time immemorial".

- 5.3 The other enquiry, relating to the mussel fishery, is an exploratory one and is at a very early stage. Local Members will be kept up to date.
- 5.4 In both cases if the outcome is a successful lease this will generate some additional income to support the TCGF.

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Date: 23 October 2020

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Quarter 2 Monitoring Statement

	Actual to date £	Budget £	Estimated Outturn	Variance £
INCOME				
Rents	5,842	8,600	8,600	0
Interest and investment income	0	1,600	1,600	0
TOTAL INCOME	<u>5,842</u>	<u>10,200</u>	<u>10,200</u>	<u>0</u>
EXPENDITURE				
Staff Costs	276	2,000	2,000	0
Property costs	267	15,000	15,000	0
Central Support Charges	0	1,000	1,000	0
Tain Mussel Fishery	10,298	20,000	20,000	0
TOTAL EXPENDITURE	<u>10,842</u>	<u>38,000</u>	<u>38,000</u>	<u>0</u>
Income less Expenditure	<u><u>(5,000)</u></u>	<u><u>(27,800)</u></u>	<u><u>(27,800)</u></u>	<u><u>0</u></u>

Unaudited Usable Reserves 2019/20
Capital Receipts Reserve March 2020

£223,440
£119,530