

Agenda Item	9
Report No	ERA-20-21

THE HIGHLAND COUNCIL

Committee: Easter Ross Area Committee

Date: 12 August 2021

Report Title: Tain Common Good Fund – Quarter 1 Monitoring Report

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

1. Purpose/Executive Summary

- 1.1 This report presents the Quarter One monitoring statement for the Tain Common Good Fund (TCGF). 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 1 monitoring statement for the TCGF.

3. Implications

- 3.1 Resource: The Quarter 1 monitoring statement indicates a deficit of £10,000 by the end of the financial year. This is largely due to the £10,000 budget set aside to complete and report on both a comparative inter tidal and a sub tidal survey of the mussel beds in order to assess the potential lease value of the fishing rights. This deficit was therefore anticipated. The Usable Revenue Reserves stood at £221,247 at 31st March 2021 with a capital receipts reserve of £119,530. (NB this is an unaudited figure) The anticipated deficit will reduce the Usable Reserves to £211,247.

- 3.2 Every effort is made to limit spend and to protect the balances of the TCGF. However, the mussel survey has been 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. There may also be a requirement for additional spend in relation to the Tain Golf Club entrance road as noted in section 5 of the report.
- 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.
- 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 TCG.
- 3.6 Climate Change / Carbon Clever, Gaelic: None

4. Quarter 1 Monitoring Statement

- 4.1 A monitoring statement showing transactions to the end of June 2021 against budget and the estimated year end position is attached at Appendix 1.

4.2 Income

- 4.2.1 The Market Street stalls and the larger of the 2 grazings are all let. However, the full income from the larger grazing was received before the end of March 2021 and was credited to the TCGF at that time so is included in the 2020/21 accounts. This year's income will therefore appear to be lower by the corresponding amount though this does not adversely affect the fund. However, due to the smaller grazing remaining unlet the income received will be slightly lower than anticipated. Due to these 2 factors the anticipated income level for 2021/22 has been reduced to £6,400.

5. Expenditure

- 5.1 Property Costs - As shown in the monitoring statement there has been minimum property expenditure to date. However additional property costs may occur due to newly identified Tain Common Good responsibilities. When the list of Common Good assets was previously reviewed land occupied under a lease by Tain Golf Course was regarded as being Council owned. However, recent title exploration undertaken by the Common Good Officer has revealed that this assessment was incorrect and the land should, in fact, be held on the Common Good account.
- 5.2 The title investigation was instigated due to an issue that has arisen regarding repairs to the entrance and road to the Golf Club. The lease is silent on the question of responsibility for such repairs and, in such circumstances, it would then fall to the landlord to undertake. Additional enquiries have confirmed that the part of the road in question is not an adopted road. Therefore, a full assessment is required and the cost

of repairs be considered necessary will have implications for the TCGF property budget.

- 5.3 Moving forward, the lease is currently held on tacit relocation, and it would be sensible to open negotiations for a new lease which could also include maintenance and repairing provisions. In due course, the Tain Common Good Asset Register will be amended to reflect the inclusion of the Golf Club land as an asset. Local Members will be kept up to date via ward Business meetings and further updates will be brought in future monitoring reports.
- 5.4 A £10,000 budget was set aside to complete and report on both a comparative inter tidal and a sub tidal survey of the mussel beds in order to assess the potential lease value of the fishing rights. Spend to date reflects costs associated with this. A report from these surveys is expected shortly which will be shared with members and this will inform the future of the fishery.

6. Land Use and Consultations under the Community Empowerment (Scotland) Act 2015

- 6.1 Boating/Wildlife Pond Kiosk – the proposed change of use from boat and equipment storage to café providing food and beverages was considered to be such as triggers a consultation under section 104 Community Empowerment (Scotland) Act 2015. This ran from 10 November 2021 until 19 January 2021 with the proposal being approved by Area Committee on 17 February 2021. As the property was considered to be inalienable, Court approval was also necessary. This was granted on 4 May 2021. All approvals are in place and the Council’s legal team are about to be instructed although confirmation of the proposed tenant’s solicitor and their position on meeting SSE electricity connection costs up-front are still awaited.
- 6.2 Bike Track facility – the proposal regarding the bike track was considered not to trigger a requirement to consult under Community Empowerment legislation. The proposed lease is for 9.5 years and Highland Council considers any lease of 10 years or more to be a disposal. Also, the area of land in question, though unused as such for a number of years, remains identified as a bike track by the community. Therefore, it was felt there was also no change of use. All approvals are therefore in place. The Council’s legal team has been instructed to progress this lease and it has been allocated to one of the team’s Solicitors.

Designation: Liz Denovan, ECO, Finance and Resources
Carron McDiarmid, ECO, Policy and Reform

Date: 26 July 2021

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Appendix 1

**Tain Common Good - Quarterly Monitoring
Period to June 2021**

	Actual to date	Budget	Estimated Outturn	Variance
	£	£		£
INCOME				
Rents	1,545	8,600	6,400	(2,200)
Interest and investment income	0	1,600	1,600	0
TOTAL INCOME	<u>1,545</u>	<u>10,200</u>	<u>8,000</u>	<u>(2,200)</u>
EXPENDITURE				
Staff Costs	0	2,000	2,000	0
Property costs	379	5,000	5,000	0
Central Support Charges	0	1,000	1,000	0
Tain Mussel Fishery	2,600	10,000	10,000	0
TOTAL EXPENDITURE	<u>2,980</u>	<u>18,000</u>	<u>18,000</u>	<u>0</u>
Income less Expenditure	<u>(1,435)</u>	<u>(7,800)</u>	<u>(10,000)</u>	<u>(2,200)</u>

Unaudited Usable Reserves 2020/21

£221,247