

Agenda Item	12
Report No	ERA-30-21

THE HIGHLAND COUNCIL

Committee: Easter Ross Area Committee

Date: 18 November 2021

Report Title: Tain Common Good Fund – Quarter 2 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 Two 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 Members are asked to:

- Scrutinise and note the Quarter 2 monitoring statement for the TCGF.
- Consider whether to approve a budget of £20,000 to allow work to be carried out to the Tain Golf Club Road as outlined in section 5 of the report.

3. Implications

3.1 Resource implications: The Quarter 2 monitoring statement indicates a deficit of £10,000 by the end of the financial year, as was noted in the Quarter 1 report to the August Easter Ross Area Committee. As previously noted, this is largely due to the costs of the comparative inter tidal and sub tidal survey of the mussel beds which has been carried out. Some rental income for 2021/22 for the grazing lets has also credited to the 2020/21 accounts meaning a reduced income is show in 2021/22. This deficit was therefore

anticipated. Should a budget of £20,000 be agreed to fund the road repairs required at the Tain Golf Club the deficit would increase to £30,000.

- 3.2 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. If Members approve works to the Tain Golf Club Road this will increase the deficit for 2021/22 and so reduce the Usable Reserves by an estimated £20,000 to £191,000.
- 3.3 Every effort is made to limit spend and to protect the balances of the TCGF. However, the mussel survey was 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.
- 3.4 Legal implications: 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.
- 3.5 Community impacts (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.
- 3.6 Risk: without a potential income from the mussel beds, the TCGF will struggle to cover its costs and the ongoing repairs to its assets. Without investment in repairs work the Golf Club road will continue to deteriorate.
- 3.7 Climate Change / Carbon Clever, Gaelic: None

4. Quarter 2 Monitoring Statement

- 4.1 A monitoring statement showing transactions to the end of September 2021, against budget and the estimated year end position, is attached at Appendix 1. This is currently showing a deficit for the year of £10,000.

4.2 Income

- 4.2.1 As Members will be aware the Market Street stalls and the larger of the 2 grazings are let, but the full income from the larger grazing was received before the end of March 2021 and was therefore credited to the TCGF in the 2020/21 accounts. This does not adversely affect the fund overall but means the anticipated income level for 2021/22 has been reduced to £6,400 as advised in the Quarter 1 monitoring report.

4.3 Expenditure

- 4.3.1 Property Costs - As shown in the monitoring statement there has been minimum property expenditure to date. However, there are condition/repair issues in relation to the entrance road at the Tain Golf Club, which, as Members are aware, has now been identified as being held by the Common Good. The entrance road is badly pot holed and the culvert in poor condition, albeit not in danger of immediate collapse. Due to the

location and indeed the pot holed condition of the road, speeds are low and there is no immediate safety risk as assessed by the Roads Operations Manager. However, the road undoubtedly requires repair at some point and without repair will continue to deteriorate. The Roads Operation Manager has drawn up a plan for the works to be done if budget is made available which include:

- a) Replacing the existing pipe and pouring concrete round it to protect it from traffic loads.
- b) constructing a manhole immediately downstream of the culvert where it connects with the pipe on the dog leg bend – this will allow the culvert and the downstream pipe to be cleaned out in future.
- c) repairing the road including a tack coat and then a minimum of 40mm dense bound tarmacadam tar. The work will include a small section of resurfacing of the adopted road and the service will pay for this element of the work.

5.2 The cost estimate for this work is £25,000, of which the Roads budget would contribute £5,000. It is important to note that these are estimated costs at present and cannot be confirmed until quotes are sought.

5.3 Members are asked to consider the issues regarding the road and consider whether to approve an increased property budget to allow this work to be undertaken. If the work is undertaken this will significantly increase the 2021/22 deficit on the fund.

5.4 Members will note there is some spend in relation to the mussel fishery. Both the comparative inter tidal and the sub tidal survey of the mussel beds have now been completed and a summary of the information they have provided is contained in Section 6 below.

6. Mussel Stock Assessment Survey Results

6.1 Members will recall that a stock survey (inter and sub tidal) was undertaken by Heriot Watt University in 2016. This survey indicated that:

- the Forestry Bank bed (intertidal) was in relatively stable condition and survey results compared to 2012 survey carried out by Bromham
- subtidal survey found that virtually all of the mussel beds were no longer present. Only two small mussel beds were encountered during the survey. Concluded that there has been reduction in sublittoral beds and “appeared to be mussel population was at lowest point in the last few years”

Based on these survey results the advice is that was agreed to rest the fishery.

6.2 The 2020 and 2021 intertidal and sub tidal surveys replicated the Herriot Watt 2016 survey. The camera was dropped down on 89 sites and results for each were sorted into 5 categories. The results were as follows:

- Forestry bed remains stable and results of 2020 & 2021 survey compare with 2016 and 2012 estimates. Positive signs of spat and recruitment were found.

- Subtidal survey of historic beds showed that significant recovery has not taken place. There were a few areas of high mussel density considered to be a mussel bed but extent was limited
- Given these results a full stock assessment would be unlikely to advise re-opening of fishery and given the costs involved it is therefore it is not proposed to progress to a full survey at the current time.

6.3 Further to the survey, officers concluded that:

- The In-house survey worked well – more data was provided for a lower cost.
- Previous fisheries dredge patterns are not known. However, in general subtidal beds can take longer to re-populate without intervention like re-seeding and areas of bare sand are unlikely to recover unaided
- Options for mussel bed restoration could be explored. Successful shellfish restoration projects can be seen around the world including an example from New Zealand whereby tonnes of empty mussel shell were placed on the seabed which provided substrate for mussel spat settlement and recruitment. Details of this approach has been documented in The Nature Conservancy 'Restoration Guidelines for Shellfish Reefs' report published in 2019.
- A mussel bed restoration project could align with the criteria set for the Green Growth Accelerator programme funded by the Scottish Government. Discussions to take place in early November to identify potential projects. Verbal update to be given at Committee

7. **Land Use and Consultations under the Community Empowerment (Scotland) Act 2015 –**

7.1

There are no consultations currently ongoing

7.2

Boating/Wildlife Pond Kiosk – Members will recall that following a public consultation Sheriff Court approval was granted in May 2021 for a proposed change of use from boat and equipment storage to a café providing food and beverages. Unfortunately, although all approvals were in place the prospective tenant has now withdrawn their offer. . The subjects will now be remarketed. If someone else comes forward to take it as a café or similar use then we can rely on process that has already taken place in relation to a change of use. However, if such a request was for a lease exceeding 10 years this would be a disposal and trigger a new consultation.

7.3

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 and we are awaiting confirmation from the community group's solicitors. The Council's legal team

has been instructed to progress this lease but at present the matter is with the Community Group's solicitors.

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

Date: 4 November 2021

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Appendix 1

Tain Common Good - Quarterly Monitoring Period to Sept 2021

	Actual to date	Budget	Estimated Outturn	Variance
	£	£		£
INCOME				
Rents	3,310	8,600	6,400	(2,200)
Interest and investment income	0	1,600	1,600	0
TOTAL INCOME	<u>3,310</u>	<u>10,200</u>	<u>8,000</u>	<u>(2,200)</u>
EXPENDITURE				
Staff Costs	446	2,000	2,000	0
Property costs	448	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>3,494</u>	<u>18,000</u>	<u>18,000</u>	<u>0</u>
Income less Expenditure	<u><u>(183)</u></u>	<u><u>(7,800)</u></u>	<u><u>(10,000)</u></u>	<u><u>(2,000)</u></u>

Unaudited Usable Reserves 2020/21

£221,247