

Agenda Item	7a
Report No	BI/04/23

THE HIGHLAND COUNCIL

Committee: Black Isle Committee

Date: 31 January 2023

Report Title: Cromarty Common Good Fund – 2021/22 Annual Audited Accounts and Final Monitoring, 2022/23 Quarter Three Monitoring Report and Proposed Budget for 2023/24

Report By: Executive Chief Officer - Communities and Place
Head of Corporate Finance and Commercialism

1. Purpose/Executive Summary

1.1 This report presents the Cromarty Common Good Fund audited accounts and final Monitoring statement for 2021/22, the Quarter Three monitoring statement for 2022/23 and a proposed budget for 2023/24.

2. Recommendations

2.1 Members are asked to:

- i. Note the Cromarty Common Good Fund Annual Report for 2021/22;
- ii. Note and scrutinise the position of Cromarty Common Good Fund as shown in the 2022/23 Quarter Three monitoring statement; and
- iii. Approve the proposed budget for 2023/24.

3. Implications

3.1 Legal, Risk, Gaelic – None.

3.2 Resource Implications: The Quarter Three monitoring statement highlights predicted income and expenditure against the budget which is on target.

3.3 Community (Equality, Poverty and Rural) Implications – Any current and future major projects for the protection or refurbishment of Common Good assets would seek to improve equality of access.

3.4 Climate Change/Carbon Clever implications: Any current and future projects for protection of Common Good assets would seek to increase energy efficiency where possible.

4. Annual Report and Final Monitoring

4.1 **Appendix 1** of this report shows the Income and Expenditure Account and Balance Sheet in respect of the Cromarty Common Good Fund for Financial year 2021/22. Usable reserves as at 31 March 2022 were £48,424.

4.2 **Appendix 2** shows the revenue results for the same period compared to budget. The end of financial year underspend variance of £2,295 has been transferred to useable reserves.

5. 2022/23 Quarter Three Monitoring Statement

5.1 A monitoring statement showing transactions to the end of December 2022 against budget and estimated year end position is as **Appendix 3**.

5.2 **Income** – The income for Cromarty Common Good Fund arises from Cromarty Victoria Hall and East Hall. Anticipated income of £100 interest for the year will show in Quarter Four Monitoring. Income is predicted to be on budget.

5.3 **Expenditure** - There has been expenditure on property relating to Common Good assets of £1,910. relating to Common Good assets property costs will show in Quarter Four. Total staff, small grant and property costs will show in Quarter Four. Expenditure is expected to be on budget.

6. Proposed Budget for 2023/24

6.1 The proposed budget for 2023/24 is set out in **Appendix 4** of the report for Committee to consider.

6.2 Anticipated Income -

6.2.1 **Rental Income** – Rental income to Cromarty Common Good Fund is derived from Cromarty Victoria Hall and East Church Hall. Income for 2023/24 is anticipated to be £6,020.

6.2.2 **Interest and Revenue Balances** – Assuming that current low interest rates continue, it is anticipated that interest receivable on projected surplus balances will be approximately £100 in 2023/24.

6.3 Anticipated Expenditure –

6.3.1 **Property Costs** – These costs relate to insurance and property costs. It is suggested that a revenue budget of £3,000 be set for 2023/24 towards urgent repairs/works on Common Good assets. This includes rental costs of Townlands Park Play Area, Cromarty.

6.3.2 **Central Support and Common Good Fund Officer**– Expenditure in this regard relates to support from Corporate Resources and a proportion of the costs of the Common Good Fund Officer. It is proposed that a sum of £300 is budgeted to cover these costs.

- 6.3.3 **Grants and Contributions** – In order to protect the reserves and the likely future requirement for protection or developments of Common Good assets, it is proposed that a budget of £1,000 is made available for small grants to community groups.
- 6.3.4 Overall, the anticipated income and expenditure as set out below will result in an operating surplus for the year of £1,820 which will be added to usable reserves.

Designation: Executive Chief Officer – Communities and Place
Head of Corporate Finance and Commercialism

Date: 20 January 2023

Authors: Diane Agnew, Ward Manager
Lara Harrison, Accountant

APPENDIX 1

STATEMENT OF ACCOUNTS 2021-22
Cromarty Common Good Fund
Income and Expenditure Account

	2021/22	2020/21
	£	£
<u>Expenditure</u>		
Special grants	700	-
Administration charges	123	120
Property Costs	1,040	-
Staff Costs	141	64
Total expenditure	<u>2,004</u>	<u>184</u>
 <u>Income</u>		
Rents	6,020	6,020
Interest and investment income	97	281
Total income	<u>6,117</u>	<u>6,301</u>
 Surplus/(deficit) for the year	4,113	6,117
 Revaluation gains/(losses)	1,000	1,000
 Total comprehensive income and expenditure	<u>5,113</u>	<u>7,117</u>

Balance Sheet

	31/03/2022	31/03/2021
	£	£
<u>Non current assets</u>		
Investment properties	58,000	57,000
 <u>Current assets</u>		
Loans fund deposits	48,424	44,311
 Total Net Assets	<u>106,424</u>	<u>101,311</u>
 Usable reserves		
Revenue funds	48,424	44,311
 Unusable reserves		
Capital adjustment account	58,000	57,000
 Total reserves	<u>106,424</u>	<u>101,311</u>

APPENDIX 2

Cromarty Common Good - Quarterly Monitoring
Period to March 22

	Actual to date £	Budget £	Variance £
INCOME			
Rents	6,020	6,020	-
Interest and investment income	97	100	(3)
TOTAL INCOME	<u>6,117</u>	<u>6,120</u>	<u>(3)</u>
EXPENDITURE			
Property costs	1,040	3,000	(1,960)
Grants and Donations	700	1,000	(300)
Central support	123	200	(77)
Staff Costs	141	100	41
TOTAL EXPENDITURE	<u>2,005</u>	<u>4,300</u>	<u>(2,295)</u>
Surplus/(deficit) for the year	4,113	1,820	2,293
Revaluation gains/(losses)	1,000	-	1,000
Total comprehensive income and expenditure	<u><u>5,113</u></u>	<u><u>1,820</u></u>	<u><u>3,293</u></u>
Audited Usable reserves 2021/22 (Appendix 1)	<u><u>48,424</u></u>		

**Cromarty Common Good - Quarterly Monitoring
Period to December 22**

Appendix 3

	Actual to date £	Budget £	Year End Estimate	Variance £
INCOME				
Rents	6,020	6,020	6,020	-
Interest and investment income	-	100	100	-
TOTAL INCOME	<u>6,020</u>	<u>6,120</u>	<u>6,120</u>	<u>-</u>
EXPENDITURE				
Property costs	1,910	3,000	3,000	-
Grants and Donations	-	1,000	1,000	-
Central support	292	300	300	-
TOTAL EXPENDITURE	<u>2,202</u>	<u>4,300</u>	<u>4,300</u>	<u>-</u>
Income less Expenditure	<u><u>3,818</u></u>	<u><u>1,820</u></u>	<u><u>1,820</u></u>	<u><u>-</u></u>
Audited Usable Reserves 2021/22 (Appendix 2)		48,424		
Estimated outturn for 22/23		<u>1,820</u>		
Estimated Usable Reserves 2022/23		<u><u>50,244</u></u>		

**CROMARTY COMMON GOOD FUND
DRAFT BUDGET 2023/24**

Appendix 4

**Draft
Budget
2023/24
£**

Income

Rents	6,020
Interest and investment income	100
Total income	<u>6,120</u>

Expenditure

Property costs	3,000
Grants	1,000
Central Support	300
Total expenditure	<u>4,300</u>

Surplus/(deficit) for year

1,820

Estimated Usable Reserves 2022/23 (Appendix 3)

£50,244

Budget surplus/(deficit) for 23/24

1,820

Forecast year end reserves 23/24

£52,064