

Agenda Item	8
Report No	SCC/22/23

HIGHLAND COUNCIL

Committee: Sutherland County Committee

Date: 31 October 2023

Report Title: Dornoch Common Good Quarter 2 Monitoring Report

Report By: ECO Communities and Place
Head of Corporate Finance

1. Purpose/Executive Summary

- 1.1 This report provides a financial monitoring report for the second quarter of Financial Year 2023/24 and provides an update on current Dornoch Common Good issues.

2. Recommendations

- 2.1 Members are asked to:
- i. note the position of Dornoch Common Good fund at the end of the second quarter FY 23/24;
 - ii. note the update on current Dornoch Common Good issues.

3. Implications

- 3.1 Resource implications
The Q2 monitoring statement highlights predicted income and expenditure against the revised budget. The budget has been revised to include the approval of £50,000 for Dornoch Heritage SCIO and the homologation of £13,163 for repairs to Dornoch beach car parks, at Sutherland County Committee on 16 May 2023 and 8 August 2023, respectively. The revised budget is affordable given current levels of reserves.
- 3.2 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. The application of funds will comply with all financial regulations.

3.3 Community (Equality, Poverty, Rural and Island) impacts
 Grants from Dornoch Common Good Fund are awarded in consultation with Dornoch Area Community Council. Community consultations are carried out in line with the Community Empowerment Act on potential disposals of Common Good land.

3.4 Climate Change – no implications

3.5 Risk
 The estimated outturns for expenditure (see Section 4.3) indicate that £79,622 will be drawn from reserves by the end of 23/24, reducing the reserves to £207,464. While this is affordable in the current year, it cannot be sustained on an ongoing basis. This will mean having to balance discretionary and essential expenditure. It should be noted that there are potentially significant liabilities likely to arise in the near future on common good assets including patching / resurfacing the top Beach Car Park (which is tarred) and possible repairs and improvements to Dornoch Burn.

3.6 Gaelic – no implications

4. **Monitoring Report Q1 2023/24**

4.1 A monitoring statement showing transactions to the end of September 2023 against revised budget and estimated year end position is attached at Appendix One.

4.2 Income

- Rental income from Dornoch Caravan Park (first of two annual payments).was received in Q1.
- The remainder is made up of part payments (direct debits).
- Remaining rents will be invoiced later in the year when they become due.
- The estimated outturn for investment income is now £4,800, reflecting higher interest rates.
- Otherwise, income is expected to be on target for the year.

4.3 Expenditure

4.3.1 Grants and Contributions

- Grants and Contributions totalling £61,853 were paid to end of Q2, comprising £11,853 for community projects and £50,000 for Project Curlew Phase 2 Multi Use Games Area (see Appendix Two).
- A further £8,305 has been committed for Allsorts After School and Holiday Club towards its running costs;
- £4,843 remains available for community grants for the remainder of the financial year.

Project	Amount (£)
Community Projects (paid Q1)	11,853
Community Projects (committed)	8,304
Community Projects (budget available)	4,843
Community Projects total	25,000
Dornoch BID (c/f from 22/23)	4,999
Dornoch Heritage SCIO – Historylinks Museum (inc. £7,000 c/f from 22/23)	50,000
DACIC Project Curlew Phase 2 - Multi Use Games Area (paid in Q2)	50,000
Total estimated outturn	£129,999

- The budget has been revised to include £50,000 for Dornoch Heritage SCIO as approved at Sutherland County Committee on 16 May 2023

4.3.2 Miscellaneous Costs

- Miscellaneous costs include £13,163 for repairs to Dornoch beach car parks, insurance and professional fees.
- The revised budget includes £13,163 for the repairs to Dornoch beach car parks, as homologated at Sutherland County Committee on 16 May 2023.

6 **Current Common Good Issues**

6.1 Rent Reviews

There are currently rent reviews taking place for the Caravan Park and the Scottish Water Pumping Station and Sewage Works. Rents will be amended in line with the reviews' recommendations once they are completed.

6.2 Dornoch Burn

As reported to Committee in January 2023, via the support of NatureScot, the River Restoration Centre, based at Cranfield University, has completed a survey with recommendations for resolving issues with the lower part of Dornoch Burn. The resulting report and its recommendations have been discussed with Dornoch Caravan Park and the Golf Club. Members have been updated at Area Business Meetings.

6.3 RDGC Clubhouse

The membership of RDGC recently agreed the new clubhouse project, however there is not yet any indication of a start date for the works, which will trigger the payment of additional rent of up to £25,000, dependent on a minimum threshold of visitor numbers.

Designation: ECO Communities and Place
Head of Corporate Finance

Date: 5 October 2023

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Lara Harrison, Accountant
Jackie McLaughlin, Principal Accounting Technician

Appendix One - Dornoch Common Good - Quarterly Monitoring

Period to Sept 23

	Actual to date £	Revised Budget	Estimated Outturn £	Variance £
INCOME				
Rents	20,115	70,740	70,740	-
Invitation to pay income	1,750	4,500	4,500	-
Interest and investment income	-	2,500	4,800	2,300
TOTAL INCOME	<u>21,865</u>	<u>77,740</u>	<u>80,040</u>	<u>2,300</u>
EXPENDITURE				
Staff Costs	385	3,000	3,000	-
Grants & contributions	61,853	129,999	129,999	-
Miscellaneous Costs	<u>17,252</u>	<u>26,663</u>	<u>26,663</u>	-
TOTAL EXPENDITURE	<u>79,490</u>	<u>159,662</u>	<u>159,662</u>	-
Income less Expenditure	<u>(57,624)</u>	<u>(81,922)</u>	<u>(79,622)</u>	<u>2,300</u>

Unaudited Usable Reserves 2022/23	£287,086
Estimated outturn for 23/24	<u>(79,622)</u>
Estimated Usable Reserves 2023/24	<u>£207,464</u>

Grants and Contributions paid to end September 2023

Organisation	Project	Paid (£)
East Sutherland Camera Club	Highland Challenge 2023	500
Dornoch Area Community Council	Maintenance and Improvement Project (6)	861
Dornoch Trust	Beach Toilets	1,995
Dornoch Bowling Club	Upgrade of Green and Erection of Wall	4,000
Dornoch Beach Wheelchairs	Play-park improvements	2,472
Dornoch Area Community Council	Maintenance and Improvement Project (7)	2,025
Subtotal Community Projects		11,853
Dornoch Area Community Interest Co.	Project Curlew Ph. 2 - Multi Use Games Area	50,000
Total		61,853