

Agenda Item	7
Report No	ERA/24/23

HIGHLAND COUNCIL

Committee: Easter Ross Area Committee

Date: 30 October 2023

Report Title: Invergordon Common Good Fund – Quarter 2 monitoring report 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 Quarter Two monitoring statement for the Invergordon Common Good Fund against the budget set for 2023/24.

2. Recommendations

- 2.1 This report asks Members to:
- Scrutinise and note the Q2 monitoring statement for the Invergordon Common Good Fund;
 - Note that the Community Asset Transfer application received from the Invergordon Naval & Heritage Museum has been paused for reasons due to instability in the applicant group as outlined in section 5 of the report.

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Implications

- 3.1 **Resource implications:** The Q2 monitoring statement highlights predicted income and expenditure against the budget.
- 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. Additionally, through the governance being applied by the Finance Service, funds will remain compliant with all financial regulations. Any disposal of Common Good assets has and will be taken forward within the framework of the Community Empowerment (Scotland) Act 2015.
- 3.3 **Community impacts** (Equality, Poverty and Rural): due to the lack of income there is no community grants budget. As detailed in the report notes that the Community Asset Transfer request from the Invergordon Naval & Heritage Museum (the Museum) has been paused until such time reassurance can be provided regarding the stability and

sustainability of the organisation. There are no other equality, poverty or rural implications as a result of the report.

3.4 **Risk implications:** There is a risk that the momentum built up by the Museum in relation to its community asset transfer plans is lost and also a risk that this affects community confidence. However, there appears to be evidence of internal tensions and instability and a Common Good asset cannot be transferred in these circumstances. It is hoped that these issues can be resolved, and the process could then be continued. However, the risk of transferring to an unstable organisation is greater than the risk of pausing the process and allowing time for the application group to stabilise once again.

3.5 **Climate Change / Carbon Clever, Gaelic implications:** None

4. Quarter 2 Monitoring Statement

4.1 A monitoring statement showing transactions to the end of September 2023 against budget and estimated year end position is attached at **Appendix 1**.

4.2 Income

- Invergordon Town Hall is rented to Highlife Highland at a rent of £3,500 for 2023/24. This rent was received in Q2.
- A small amount of income in the form of interest on revenue balances is expected in the 4th quarter.
- Total income for the year is expected to be on budget.

4.3 Expenditure

- There is a small property budget set aside for minor repairs and other property costs. No costs have as yet been incurred.
- Staff costs include Invergordon Common Good Fund's proportion of the costs of the Common Good Fund Officer which is budgeted for.
- Total expenditure for the year is expected to be on budget.

5 Current Common Good Issues

5.1 Invergordon Town Hall

Members will recall that following the appropriate consultation process under the Community Empowerment Act and court approval, the Town Hall was marketed for sale and an offer received during 2022. However, during this period, a proposal was received from Invergordon Naval Museum and Heritage Centre for an asset transfer for the property and in May 2023, Members agreed to pause the sale process for a 12-month period to allow time for the Invergordon Naval Museum and Heritage Centre's Community Asset Transfer (CAT) request to be completed and processed.

The Museum's submitted application was considered by the CAT Board at the end of September. The assessment was broadly positive, and the intention was to recommend to Area Committee that it be taken forward, with appropriate conditions. However, since that time there has a change to the Trustees of the Museum and there appears to be evidence of tension and instability in the organisation. Given that a strong and stable board is essential to the success of the project going forward, it would be inappropriate to progress the application or bring it to Members as a proposed transfer.

The CAT process has been paused for a period of 4 months to allow the organisation time to resolve any internal issues. Once that is done, subject to the Museum still wanting to pursue the transfer and confirming their position, it will be considered again and a report presented for consideration to the Easter Ross Area Committee.

Designation: Executive Chief Officer, Communities and Place

Date: 6 October 2023

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Appendix 1

Invergordon Common Good - Quarterly Monitoring Period to Sept 23

	Actual to date £	Budget £	Estimated Outturn £	Variance £
Income				
Rents	3,500	3,500	3,500	-
Interest and investment income	-	300	300	-
Total Income	<u>3,500</u>	<u>3,800</u>	<u>3,800</u>	<u>-</u>
Expenditure				
Staff Costs	310	1,100	1,100	-
Property costs	-	2,000	2,000	-
Administration charges	-	100	100	-
Total Expenditure	<u>310</u>	<u>3,200</u>	<u>3,200</u>	<u>-</u>
Income less Expenditure	<u><u>3,190</u></u>	<u><u>600</u></u>	<u><u>600</u></u>	<u><u>-</u></u>
Unaudited Usable Reserves 2022/23		£82,050		
Estimated outturn for 23/24		<u>600</u>		
Estimated Usable Reserves 2023/24		<u><u>£82,650</u></u>		