

Agenda Item	8
Report No	ERA/25/23

THE HIGHLAND COUNCIL

Committee: Easter Ross Area Committee

Date: 30 October 2023

Report Title: Tain 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 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 Tain Common Good Fund.
 - Note the update on current Tain Common Good issues.

3. 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.

3.3 **Community impacts** (Equality, Poverty and Rural): due to limited income there is not a community grants budget. There are no other equality, poverty or rural implications as a result of the report.

3.4 **Risk implications:** Historically income from the mussel fishery has been important to the TCGF and has helped support its income levels. As noted in section 5 of the report even if mussel numbers improve, farmed mussel production has continued to increase across Scotland and dredged mussels are significantly lower in value. This potentially brings into question any potential for future economic viability of a fishery as it once existed.

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 the estimated year end position is attached at Appendix 1.

4.2 Income

- The market stalls and largest grazing are all let. Rental income is expected to be slightly below budget by year end as the smaller grazing is unlet. The rental income amount has therefore been reduced to £7950 to reflect this.
- An increased level of income in the form of interest on revenue balances is expected in the 4th quarter.

4.3 Expenditure

- Property Costs – As shown in the monitoring statement there has been minor property cost incurred, principally in relation to electricity costs and a minor repair to the Alexandra Bridge.
- Total expenditure for the year is expected to be on budget.

5 **Current Common Good Issues**

5.1 Members will recall that the 2016 mussel survey report recommended to rest the mussel fishery. The first round of monitoring following the closure of the fishery was undertaken in 2020 and 2021. This estimated that the population remained stable but at the same low levels as previously identified. Critically it was also noted that recovery may not occur without some further form of active intervention, which itself may carry substantial cost implications.

5.2 The 2021 report raised the additional factor that farmed mussel production has continued increase across Scotland and that dredged mussels are significantly lower in value. This potentially brings into question any potential for future economic viability of a fishery as it once existed. The blue mussel beds themselves are of conservation value and are designated as Priority Marine Features. There is growing interest and support for biodiversity enhancement schemes across Scotland and a new National Planning Framework 4 was adopted in February of this year which places stronger requirements on developments to contribute to biodiversity enhancement. In future it may be possible to secure funding to enable action to help

restore the mussel beds, either via restoration grant funding or via development. Of potential relevance to the latter is the nearby green freeport developments to the South. However, as highlighted in section 3.4 of this report funding of this nature is likely contingent upon the preservation of the mussel beds as a biodiversity asset rather than to support their future exploitation as a fishery. In light of these circumstances, it is considered unlikely that the mussel fishery in the future will deliver a return to a level previously experienced. The Tain Common Good Fund cannot rely on this as a key source of income for the future.

Designation: ECO, Communities and Place

Date: 6 October 2023

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Tain Common Good - Quarterly Monitoring
Period to Sept 23

	Actual to date £	Budget £	Estimated Outturn £	Variance £
INCOME				
Rents & Lettings	3,310	8,600	7,950	(650)
Sales-Land/Building	-	-	-	-
Interest and investment income	-	1,600	5,600	4,000
TOTAL INCOME	<u>3,310</u>	<u>10,200</u>	<u>13,550</u>	<u>3,350</u>
EXPENDITURE				
Staff Costs	219	2,000	2,000	-
Property costs	318	5,000	5,000	-
Central Support Charges	-	1,000	1,000	-
Tain Mussel Fishery	-	2,000	2,000	-
TOTAL EXPENDITURE	<u>537</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Income less Expenditure	<u>2,773</u>	<u>200</u>	<u>3,550</u>	<u>3,350</u>

Unaudited Usable Reserves 2022/23 (Appendix 2)	£219,757
Estimated outturn for 23/24	3,550
Use of reserves for Tain Golf Club Road works	-
Estimated Usable Reserves 2023/24	<u><u>£223,307</u></u>