

The Highland Council

Agenda Item	8a
Report No	BIER-05-24

Committee: Black Isle and Easter Ross Area Committee

Date: 22 January 2024

Report Title: Cromarty Common Good – 2022/23 Annual Accounts and Final Monitoring, 2023/24 Quarter Three Monitoring Report and 2024/25 Proposed Budget

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

1. Purpose/Executive Summary

1.1 This report presents the Cromarty Common Good Fund Statement of Accounts and final monitoring for 2022/23. An overall revenue surplus of £3,757 was achieved which has been added to reserves.

This report also presents the expenditure monitoring position for the Common Good Fund as at 31 December 2023 (Q3) and the projected year end position for 2023/24.

The report further sets out the proposed revenue budget for the Fund for the financial year 2024/25.

The report highlights main points regarding the accounts and the strategy in relation to the overall Fund value.

2. Recommendations

2.1 Members are asked to:

- i. Consider and agree the Cromarty Common Good Fund Statement of Accounts (**Appendix 1a**) and Quarter 4 monitoring report for 2022/23 (**Appendix 1b**), subject to the approval of the 2022/23 Highland Council accounts;
- ii. Scrutinise and note the position of the Cromarty Common Good Fund as shown in the 2023/24 Quarter Three monitoring statement at **Appendix 2**; and
- iii. Approve the proposed budget for 2024/25 as set out in **Appendix 3**

3. Implications

- 3.1 **Resource** – The 2022/23 statement of accounts and final monitoring report note a surplus for the year of £3,757, resulting in a small increase in the Usable Revenue Reserves. The Quarter Three monitoring statement highlights predicted income and expenditure against the budget. The statement reflects the budget changes agreed by Members in November 2023. These agreed changes, along with increased interest income, result in a surplus being anticipated on the account for 2023/24. The proposed Budget for 2024/25 maintains a modest property budget and will again result in a small surplus on the Fund.
- 3.2 **Legal** - 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)** - due to the limited income the community grants budget has been removed. There are no other equality, poverty or rural or island implications as a result of the report.
- 3.4 **Climate Change / Carbon Clever** – None
- 3.5 **Risk:** There is a risk to the long-term sustainability of the CGF given the limited income available and the relatively low level of reserves. However, this is being managed by removing non-essential spend such as that on community grants.
- 3.6 **Health and Safety (risks arising from changes to plant, equipment, process, or people)** - None
- 3.7 **Gaelic** - None

4. 2022/23 Statement of Accounts and Final Monitoring

- 4.1 **Appendix 1a** of this report shows the draft Annual Report, with the Income and Expenditure Account and Balance Sheet in respect of the Cromarty Common Good Fund (CCGF) for Financial Year 2022/23.

This statement of accounts has not been individually audited, but the total common good fund balances, comprising all of the Highland Council Common Good Funds, which appear as a note to the Highland Council accounts, have been audited as they appear in the Highland Council accounts. The auditors have found no significant issues to report. However, until signed, the Highland Council accounts remain in draft.

- 4.2 **Appendix 1b** sets out the 2022/23 final monitoring, which shows the Revenue results for the year against Budget (whereas **Appendix 1a** shows prior year comparatives).
- 4.3 Expenditure on the fund in 202/23 was less than the income received, allowing for a small surplus of £3,757 to be built up. Overall, the Usable Reserves increased over the year from £48,424 to £52,181.

5. 2023/24 Quarter Three Monitoring Report

5.1 The Quarter Three monitoring report to 31 December 2023, attached as **Appendix 2**, includes the amendments agreed at the November 2023 Committee. These amendments reflect the reallocation of the Victoria Hall to the General Fund as it has been established that it is not a Common Good property. This has resulted in reduced income, but also a reduced property budget. Interest income outturn has been increased to reflect higher interest rates in 2023/24. The grants and donations budget has also been removed as agreed in November 2023. These changes result in a small, anticipated year end surplus of £1,620.

6. Proposed Budget for 2024/25

6.1 The proposed budget for 2024/25 is set out in **Appendix 3** of the report for Committee to consider.

6.2 Anticipated Income – Income is anticipated from the East Hall and also from Interest and Investment on the balances held.

6.3 Anticipated Expenditure – It is proposed that a modest property budget of £1,500 be retained to cover any minor insurance and property costs incurred with an additional budget of £300 for Central Support and Common Good Fund Officer costs.

6.4 This will result in a small surplus of £1,620 at year end.

Designation:

Date: 10 January 2024

Author: Helen Ross, Senior Ward Manager (CSER)
Lara Harrison, Accountant

Background Papers: None

Appendices:

STATEMENT OF ACCOUNTS 2022-23
Cromarty Common Good Fund
Income and Expenditure Account

Appendix 1a

	2022/23	2021/22
	£	£
<u>Expenditure</u>		
Special grants	-	700
Administration charges	367	123
Property Costs	1,910	1,040
Staff Costs	792	141
Total expenditure	<u>3,069</u>	<u>2,004</u>
<u>Income</u>		
Rents	6,020	6,020
Interest and investment income	806	97
Total income	<u>6,826</u>	<u>6,117</u>
Surplus/(deficit) for the year	3,757	4,113
Revaluation gains/(losses)	-	1,000
Total comprehensive income and expenditure	<u>3,757</u>	<u>5,113</u>

Balance Sheet	31/03/2023	31/03/2022
	£	£
<u>Non current assets</u>		
Investment properties	58,000	58,000
<u>Current assets</u>		
Loans fund deposits	52,181	48,424
Total Net Assets	<u>110,181</u>	<u>106,424</u>
Usable reserves		
Revenue funds	52,181	48,424
Unusable reserves		
Capital adjustment account	58,000	58,000
Total reserves	<u>110,181</u>	<u>106,424</u>

**Cromarty Common Good - Quarterly Monitoring
Period to March 23**

Appendix 1b

	Actual £	Budget £	Variance £
INCOME			
Rents	6,020	6,020	-
Interest and investment income	806	100	706
TOTAL INCOME	<u>6,826</u>	<u>6,120</u>	<u>706</u>
EXPENDITURE			
Property costs	1,910	3,000	(1,090)
Grants and Donations	-	1,000	(1,000)
Central support	1,159	300	859
TOTAL EXPENDITURE	<u>3,069</u>	<u>4,300</u>	<u>(1,231)</u>
Income less Expenditure	<u><u>3,757</u></u>	<u><u>1,820</u></u>	<u><u>1,937</u></u>
Usable Reserves (Appendix 1a)	<u><u>52,181</u></u>		

**Cromarty Common Good - Quarterly Monitoring
Period to Dec 23**

Appendix 2

	Actual to date £	Revised Budget £	Year End Estimate	Variance £
INCOME				
Rents	2,420	2,420	2,420	-
Interest and investment income	-	100	1,000	(900)
TOTAL INCOME	<u>2,420</u>	<u>2,520</u>	<u>3,420</u>	<u>(900)</u>
EXPENDITURE				
Property costs	-	1,500	1,500	-
Grants and Donations	-	-	-	-
Central support	226	300	300	-
TOTAL EXPENDITURE	<u>226</u>	<u>1,800</u>	<u>1,800</u>	<u>-</u>
Income less Expenditure	<u><u>2,194</u></u>	<u><u>720</u></u>	<u><u>1,620</u></u>	<u><u>(900)</u></u>
Usable Reserves 2022/23 (Appendix 1a)		52,181		
Estimated outturn for 23/24		<u>1,620</u>		
Estimated Usable Reserves 2023/24		<u><u>53,801</u></u>		

**CROMARTY COMMON GOOD FUND
BUDGET 2024/25**

Appendix 3

	Budget 2024/25 £
<u>Income</u>	
Rents	2,420
Interest and investment income	1,000
Total income	<u>3,420</u>
<u>Expenditure</u>	
Property costs	1,500
Grants	-
Central Support	300
Total expenditure	<u>1,800</u>
Surplus/(deficit) for year	<u><u>1,620</u></u>
Estimated Usable Reserves 2023/24 (Appendix 2)	53,801
Budget surplus/(deficit) 24/25	<u>1,620</u>
Forecast year end reserves 24/25	<u><u>£55,421</u></u>