

# The Highland Council

Agenda Item	8b
Report No	<b>BIER-06-24</b>

**Committee:** Black Isle and Easter Ross Area Committee

**Date:** 22 January 2024

**Report Title:** Fortrose & Rosemarkie Common Good Fund – 2022/23 Annual Accounts and Final Monitoring, 2023/24 Quarter Three Monitoring Report 2023/24 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 Fortrose & Rosemarkie Common Good Fund Statement of Accounts and final monitoring for 2022/23. An overall revenue surplus of £23,284 was achieved which has been added to reserves.
- 1.2 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.
- 1.3 The report further sets out the proposed revenue budget for the Fund for the financial year 2024/25.
- 1.4 The report highlights main points regarding the accounts and the strategy in relation to the overall Fund value.

## 2. Recommendations

Members are asked to:

- i. Consider and agree the Fortrose & Rosemarkie 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 Fortrose & Rosemarkie 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 £23,284 providing a good increase in the Usable Revenue Reserves. The Quarter Three monitoring statement highlights predicted income and expenditure against the budget. Costs incurred so far are lower than anticipated but are expected to be in line with Budget by year end. The planned safety works to gabions on the coastal area mean that overall a deficit of just under £72,000 is anticipated. The proposed budget for 2024/25 maintains current budget levels and, with no additional gabion work due, a small surplus on the Fund is anticipated.
- 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)** – The fund supports a small community grants budget and this is proposed to continue in 2024/25 helping to support the local community. 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:** The required gabion work will result in reduced Usable Reserves. However, this work is essential and other discretionary spend is being maintained but at a modest level.
- 3.6 **Health and Safety (risks arising from changes to plant, equipment, process, or people)** - The gabion work will address a significant identified risk. There are no other Health and Safety implications as a result of the report.
- 3.7 **Gaelic** - None.

### 4. 2022/23 Statement of Accounts and Final Monitoring

- 4.1 **Appendix 1a** of this report shows the Income and Expenditure Account and Balance Sheet in respect of the Fortrose & Rosemarkie Common Good Fund (F&R CGF) 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 2022/23 was significantly less than the income received, allowing for a surplus of £23,284 to be built up. In particular property costs were lower than anticipated and not community or special grant awards were made. Overall, the Usable Reserves increased over the year from £161,864 to £185,148.

## **5. 2023/24 Quarter Three Monitoring Report**

- 5.1 The Quarter Three monitoring report to 31 December 2023, attached as **Appendix 2**, shows a slightly increased anticipated income, due to the increased level of interest and investment income as a result of increased interest rates.
- 5.2 Expenditure is currently lower than anticipated, but given the relatively low levels of property costs and grants allowed for no amendments are suggested. A year end surplus of £18,140 before projects is anticipated.
- 5.3 Members will note the £90,000 set aside for the safety works required to the Gabions which the Black Isle Committee previously approved, due to the safety implications. This work is due to be carried out and will result in an expected deficit for year of £71,860, which will reduce revenue reserves to £113,288.

## **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 from rents remains at the same level as in 2023/24 but a interest and investment income is forecast to increase due to the increase in interest rates in line with 23/24 outturn.
- 6.3 Anticipated Expenditure – It is proposed that a modest property budget of £4,000 be retained to cover any minor insurance and property costs incurred with an additional budget of £1,000 for Central Support and Common Good Fund Officer costs, £1,000 for community grants and £2,000 for special grants. This will result in a surplus of £18,140 at year end, which will be added to reserves.

Designation:

Date: 10 January 2024

Authors: Helen Ross, Senior Ward Manager (CSER)  
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Background Papers: None

Appendices:

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

**APPENDIX 1a**

	<b>2022/23</b>	<b>2021/22</b>
	<b>£</b>	<b>£</b>
<u>Expenditure</u>		
Property repairs and maintenance	83	2,840
Administration charges	489	123
Staff Costs	1,097	660
Total expenditure	<u>1,669</u>	<u>3,623</u>
<u>Income</u>		
Rents	22,181	22,824
Interest and investment income	2,772	312
Total income	<u>24,953</u>	<u>23,136</u>
<b>Surplus/(deficit) for the year</b>	<b>23,284</b>	<b>19,513</b>
Revaluation gains/(losses)	-	3,000
<b>Total comprehensive income and expenditure</b>	<b><u>23,284</u></b>	<b><u>22,513</u></b>
<b>Balance Sheet</b>	<b>31/03/2023</b>	<b>31/03/2022</b>
	<b>£</b>	<b>£</b>
<u>Non current assets</u>		
Investment properties	171,000	171,000
Heritage assets	253,500	253,500
	<u>424,500</u>	<u>424,500</u>
<u>Current assets</u>		
Loans fund deposits	182,866	161,864
Sundry Debtors	3,442	-
	<u>186,307</u>	<u>161,864</u>
<u>Current Liability</u>		
Other Creditors	(1,160)	-
<b>Total Net Assets</b>	<b><u>609,648</u></b>	<b><u>586,364</u></b>
<b>Usable reserves</b>		
Revenue funds	185,148	161,864
<b>Unusable reserves</b>		
Revaluation Reserve	253,500	253,500
Capital Adjustment Account	171,000	171,000
	<u>424,500</u>	<u>424,500</u>
<b>Total reserves</b>	<b><u>609,648</u></b>	<b><u>586,364</u></b>

**Fortrose and Rosemarkie Common Good - Quarterly Monitoring      Appendix 1b**  
**Period to Draft March 23**

	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>INCOME</b>			
Rents	22,181	24,669	(2,488)
Interest and investment income	<u>2,772</u>	<u>500</u>	<u>2,272</u>
<b>TOTAL INCOME</b>	<b>24,953</b>	<b>25,169</b>	<b>(216)</b>
<b>EXPENDITURE</b>			
Property costs	83	4,000	(3,917)
Central support and CGFO	1,586	1,000	586
Community Grants	-	1,000	(1,000)
Special Grants	<u>-</u>	<u>2,000</u>	<u>(2,000)</u>
<b>TOTAL EXPENDITURE</b>	<b>1,669</b>	<b>8,000</b>	<b>(6,331)</b>
<b>Income less Expenditure</b>	<u><b>23,284</b></u>	<u><b>17,169</b></u>	<u><b>6,115</b></u>
<b>Usable Reserves (Appendix 1a)</b>	<u><b>185,148</b></u>		

**Fortrose and Rosemarkie Common Good - Quarterly Monitoring**  
**Period to Dec 23**

**Appendix 2**

	Actual to date £	Budget £	Year End Estimate	Variance £
<b>INCOME</b>				
Rents	21,655	23,340	23,340	-
Interest and investment income	-	500	2,800	(2,300)
<b>TOTAL INCOME</b>	<u>21,655</u>	<u>23,840</u>	<u>26,140</u>	<u>(2,300)</u>
<b>EXPENDITURE</b>				
Property costs	106	4,000	4,000	-
Central support and CGFO	681	1,000	1,000	-
Community Grants	-	1,000	1,000	-
Special Grants	-	2,000	2,000	-
<b>TOTAL EXPENDITURE</b>	<u>787</u>	<u>8,000</u>	<u>8,000</u>	<u>-</u>
<b>Surplus/(deficit) before projects</b>	<u><u>20,868</u></u>	<u><u>15,840</u></u>	<u><u>18,140</u></u>	<u><u>(2,300)</u></u>
<b>PROJECT SPEND</b>				
Coastal area - collapsing gabions	-	-	90,000	(90,000)
<b>TOTAL</b>	<u>-</u>	<u>-</u>	<u>90,000</u>	<u>(90,000)</u>
<b>Surplus/(deficit) after projects</b>	20,868	15,840	(71,860)	(92,300)
Unaudited Usable Reserves 2022/23 (Appendix 1b)		£185,148		
Estimated outturn for 23/24		<u>(71,860)</u>		
Estimated Usable Reserves 2023/24		<u><b>£113,288</b></u>		

**FORTROSE & ROSEMARKIE COMMON GOOD FUND    Appendix 3**  
**BUDGET 2024/25**

	<b>Budget 2024/25 £</b>
<u>Income</u>	
Rents	23,340
Interest and investment income	<u>2,800</u>
Total Income	26,140
<u>Expenditure</u>	
Property costs	4,000
Central support and CGFO	1,000
Community Grants	1,000
Special Grants	<u>2,000</u>
Total Expenditure	8,000
<b>Surplus/(deficit) for year</b>	<u><u><b>18,140</b></u></u>
<b>Estimated Usable Reserves 2023/24 (Appendix 2)</b>	£113,288
Budget surplus/(deficit) for 24/25	<u>18,140</u>
<b>Forecast year end reserves 24/25</b>	<u><u><b>£131,428</b></u></u>