

# The Highland Council

Agenda Item	12
Report No	PLN/09/25

**Committee:** Caithness Committee

**Date:** 20 January 2025

**Report Title:** Thurso Common Good Fund – 2023/24 Annual Accounts, 2025/26 Budget

**Report By:** Chief Officer Community and Housing  
Chief Officer Corporate Finance

## 1. Purpose/Executive Summary

- 1.1 This report presents the Thurso Common Good Fund Statement of Accounts for 2023/24
- 1.2 The report seeks approval for the budget for Thurso Common Good Fund for Financial Year 2025/26.

## 2. Recommendations

- 2.1 Members are asked to:
  - i. Consider and agree the Thurso Common Good Fund Statement of Accounts for 2023/24. **(Appendix 1)**
  - ii. Agree Thurso Common Good Fund Annual Budget for 2025/26 **(Appendix 2)**.

## 3. Implications

- 3.1 **Resources** - the statement of accounts shows that Thurso Common Good Fund had no expenditure or income in the year. Discussions are underway to clarify the position with rent payments. In the longer term Thurso Common Good Fund needs to develop revenue sources to cover operational costs and to build reserves to cover its responsibilities.
- 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.
- 3.5 **Risk** - Thurso Common Good assets are currently managed either by tenants or by Highland Council and High Life Highland. While this manages risk in the short term, in the longer term Thurso Common Good Fund needs to develop revenue sources to cover operational costs and to build reserves to cover liabilities.

3.6 **Health and Safety** (risks arising from changes to plant, equipment, process, or people) - None.

3.7 **Gaelic** - None.

#### 4. **Impacts**

4.1 In Highland, all policies, strategies or service changes are subject to an integrated screening for impact for Equalities, Poverty and Human Rights, Children's Rights and Wellbeing, Climate Change, Islands and Mainland Rural Communities, and Data Protection. Where identified as required, a full impact assessment will be undertaken.

4.2 Considering impacts is a core part of the decision-making process and needs to inform the decision-making process. When taking any decision, Members must give due regard to the findings of any assessment.

#### 4.3 **Integrated Impact Assessment - Summary**

4.3.1 An Integrated Impact Assessment screening has been undertaken on the proposed budget and the conclusions have been subject to the relevant Manager Review and Approval.

4.3.2 The Screening process has concluded that there are no impacts identified in relation to the proposed budget.

4.3.3

<b>Impact Assessment Area</b>	<b>Conclusion of Screening/Full Assessment</b>
Equality	<i>No impact</i>
Socio-economic	<i>No impact</i>
Human rights	<i>No impact</i>
Children's rights & well-being	<i>No impact</i>
Island and mainland rural	<i>No impact</i>
Climate change	<i>No impact</i>
Data rights	<i>No impact</i>

#### 5. **2023/24 Statement of Accounts**

5.1 **Appendix 1** of this report shows the Income and Expenditure Account and Balance Sheet in respect of the Thurso Common Good Fund for Financial Year 2023/24. This is the first set of Annual Accounts produced for Thurso Common Good Fund.

#### 5.2 **Income and Expenditure**

There was no income or expenditure incurred during the reporting period; however, agreement has been reached with Thurso Caravan Park regarding rent due for 23/24 and an invoice has been issued. At the time of writing the report, discussions were ongoing with the operators of Thurso Caravan Park to understand the position regarding any further rent that is due. Members will be updated on progress in due course.

### 5.3 **Revaluation gains/(losses)**

The Income and Expenditure Account in **Appendix 1** reports revaluation gain of £400,000 in 2023/24. This reflects the value of Thurso Common Good Fund assets now being recorded in the Accounts. The list of assets can be viewed on Highland Council website at:

[https://www.highland.gov.uk/downloads/download/2208/thurso\\_common\\_good\\_fund](https://www.highland.gov.uk/downloads/download/2208/thurso_common_good_fund)

### 5.5 **Balances**

Members are requested to note that the Fund shows a surplus for 2023/24 of £400,000 reflecting the valuation of the Fund's assets. Consequently, on 31 March 2024 the total assets of Thurso Common Good were £400,000, comprising investment property. There are no usable reserves.

### 5.6 **Changes to Leases in 2023/24**

There were no changes to leases in 2023/24.

### 5.7 **Disposal and Acquisitions 2023/24**

There were no disposals or acquisitions in 2023/24.

## 6. **Budget 2025/26**

6.1 The proposed budget for 2025/26 is outlined in Appendix 2.

### 6.2 **Rental Income**

Rental income comprises estimated income from Thurso Caravan Park, but the exact amount is determined as a percentage of the Caravan Park turnover.

### 6.3 **Interest On Revenue Balances**

It is anticipated that interest receivable on projected revenue balances will be minimal in 2025/26.

### 6.4 **Expenditure**

It is anticipated that there will be no expenditure in 2025/26

### 6.5 **Fund Balance**

Members are asked to note that the proposed amended budget will lead to a surplus of £7,500. Usable Reserves are therefore expected to be £7,500 at 31 March 2026. This is a small sum in comparison with the asset values (£400,000) and potential fund liabilities, highlighting the need to develop a strategy to increase income and establish sufficient reserves.

## **7 Common Good Update**

### **7.1 Current position and outlook**

Thurso Common Good Fund assets are listed on the Highland Council website and include buildings, parks, gardens and recreation ground, golf course, and a caravan site. The only income earning asset at present is the caravan site. The golf course is let at a peppercorn rent. The buildings – Burgh Chamber and Town Hall – are occupied by Highland Council and Highlife Highland respectively, and while no rent is received, the buildings are lit, heated and maintained by the occupants, avoiding liability falling to the Common Good Fund. The parks, gardens and recreation ground are managed and maintained by Highlife Highland through the existing Service Delivery Contract and by the Council’s Amenities service.

In the longer term Thurso Common Good Fund needs to develop revenue sources to cover operational costs and to build reserves to cover liabilities. Members attended a workshop in October 2024 which started to consider approaches to the future management of Wick and Thurso Common Good Funds. Following the workshop the initial focus will be on Wick, with lessons learned then informing the future management of Thurso Common Good Fund.

Members are asked to note that until the Fund generates a sustainable surplus and has established sufficient reserves to cover liabilities, expenditure from the fund on wider community projects will not be possible.

### **7.2 Common Good Working Group**

The Common Good Officer continues to work with a cross-service group to develop a new Highland Council Common Good Policy to inform and guide the management of all Highland Common Good Funds, including the management of reserves. The policy will also address the particular challenges faced by newly identified Common Good Funds such as Thurso Common Good Fund which have no or limited income and minimal reserves. The policy, being Highland wide will require approval at full Council or strategic committee. Members will be updated in due course.

Designation: Chief Officer Community and Housing  
Chief Officer Corporate Finance

Date: 6 January 2025

Authors: Phil Tomalin, Ward Manager, Sutherland  
Jennnifer Johnston, Accountant

Background Papers:

Appendices:

1. Thurso Common Good Fund – Statement of Account 2023/24
2. Thurso Common Good Fund – Proposed Budget 2025/26

## APPENDIX 1

### STATEMENT OF ACCOUNTS 2023-24 Thurso Common Good Fund

#### Income and Expenditure Account

	<b>2023/24</b>
	<b>£</b>
<u>Expenditure</u>	
Total expenditure	-
<u>Income</u>	
Total income	-
<b>Surplus/(deficit) for the year</b>	<b>-</b>
Revaluation gains/(losses)	400,000
<b>Total comprehensive income and expenditure</b>	<b><u>400,000</u></b>

#### Balance Sheet

	<b>31/03/2024</b>
	<b>£</b>
<u>Non current assets</u>	
Investment Properties	400,000
<b>Total assets</b>	<b><u>400,000</u></b>
Capital funds	400,000
<b>Total reserves</b>	<b><u>400,000</u></b>

## APPENDIX 2

### Thurso Common Good Fund Budget 2025/26

	<b>2025/26</b>
<b>INCOME</b>	
Rents	7,500
Interest and investment income	-
<b>TOTAL INCOME</b>	<u>7,500</u>
<b>EXPENDITURE</b>	
Property costs	-
Staff Costs	-
Grants & contributions	-
<b>TOTAL EXPENDITURE</b>	<u>-</u>
<b>Income less Expenditure</b>	<u><u>£7,500</u></u>
<b>Estimated Usable Reserves 2024/25</b>	-
Budget surplus/(deficit) for 25/26	<u>£7,500</u>
<b>Forecast year end reserves 25/26</b>	<u><u>£7,500</u></u>