

# The Highland Council

Agenda Item	8a
Report No	BIER/7/25

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

**Date:** 27 January 2025

**Report Title:** Cromarty Common Good –2023/24 Annual Accounts and Final Monitoring, 2024/25 Quarter Three Monitoring Report and 2025/26 Proposed Budget

**Report By:** Chief Officer - Housing and Communities  
Chief Officer - Corporate Finance

## 1. Purpose/Executive Summary

- 1.1 This report presents the Cromarty Common Good Fund Statement of Accounts and final monitoring for 2023/24. An overall revenue surplus of £4,202 was achieved which has been added to reserves.
- 1.2 This report also presents the expenditure monitoring position for the Common Good Fund at 31 December 2024 (Q3) and the projected year end position for 2024/25.
- 1.3 The report further sets out the proposed revenue budget for the Fund for the financial year 2025/26.
- 1.4 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 2023/24 (**Appendix 1b**),
  - ii. Scrutinise and note the position of the Cromarty Common Good Fund as shown in the 2024/25 Quarter Three monitoring statement at **Appendix 2**; and
  - iii. Approve the proposed budget for 2025/26 as set out in **Appendix 3**

## 3. Implications

- 3.1 **Resource** – The 2023/24 statement of accounts and final monitoring report note a surplus for the year of £4,202, resulting in a small increase in the Revenue Reserves. The 2024/25 Quarter Three monitoring statement highlights predicted income and

expenditure against the budget, estimating a deficit outturn of £485. This is due to the full rental income from East Church Hall not being realised (see section 8 below). This deficit will need to be met from reserves. The proposed Budget for 2025/26 maintains a modest property budget, resulting in an operating deficit of £1,130 due to the expected reduced income generation from the rental of East Church Hall. A balanced budget must be set and therefore this deficit will be met from reserves therefore providing a balanced budget.

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 **Risk:** There is additional pressure on the long-term sustainability of the CGF given the limited income available and the relatively low level of reserves. However, this continues to be managed by removing non-essential spend such as that on community grants.

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

3.5 **Gaelic** - None

#### 4. **Integrated Impact Assessment Screening - Summary**

4.1 An Integrated Impact Assessment screening has been undertaken on the proposed budget for 2025/26, the conclusions have been reviewed and approved by the relevant Manager set out at **Appendix 4**.

4.2 The Screening process has concluded that there are no direct impacts identified by the Common Good budget itself.

Impact Assessment Area	Conclusion of Screening/Full Assessment
Equality	<i>No impact</i>
Socio-economic	<i>No impact</i>
Human Rights	<i>No impact</i>
Children's Rights and 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 and Final Monitoring**

5.1 **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 2023/24.

5.2 **Appendix 1b** sets out the 2023/24 final monitoring, which shows the Revenue results for the year against Budget (whereas **Appendix 1a** shows prior year comparatives).

5.3 Expenditure on the fund in 2023/24 was less than the income received, allowing for a small surplus of £4,202 to be built up. Overall, the revenue Reserves increased over the year from £52,181 to £56,383.

## **6. 2024/25 Quarter Three Monitoring Report**

6.1 The Quarter Three monitoring report to 31 December 2024, attached as **Appendix 2**, highlights predicted income and expenditure against the budget, estimating a deficit outturn of £485. This is due to the full rental income from East Church Hall not being realised (see section 8 below).

## **7. Proposed Budget for 2025/26**

7.1 The proposed budget for 2025/26 is set out in **Appendix 3** of the report for Committee to consider.

7.2 Anticipated Income – Income is anticipated only from interest and investment on the balances held. Please see section 8 below regarding income from East Church Hall.

7.3 Anticipated Expenditure – It is proposed that the modest property and central support budgets are maintained to cover any minor insurance and property costs incurred and for Central Support and Common Good Fund Officer costs.

7.4 This will result in a deficit of £1,130 at the year end. In order to set a balanced budget, this deficit will require to be met from reserves.

## **8. East Church Hall**

8.1 Members have requested to review the lease of East Church Hall. The previous tenant, High Life Highland, handed back the property in June 2024. A community group has expressed interest in potentially leasing the building and discussions are underway with the Estates team regarding this. The title deed of the building specifically prohibits its use for commercial or industrial purposes which limits the income generation potential, but a change of use may be possible which will require sufficient time to progress.

Designation: **Chief Officer Housing and Communities**  
**Chief Officer - Corporate Finance**

Date: 09 January 2025

Author: Lynn Bauermeister, Community Development Manager  
Jennifer Johnston, Accountant (Group Orgs)

Background Papers: None

Appendices: (1a) Statement of Accounts 2023-24, (1b) Quarterly Monitoring Period to Mar 24, (2) Quarterly Monitoring Period to Dec 24, (3) Budget 2025/26

**STATEMENT OF ACCOUNTS 2023-24**  
**Cromarty Common Good Fund**  
**Income and Expenditure Account**

**Appendix 1a**

	<b>2023/24</b>	<b>2022/23</b>
	<b>£</b>	<b>£</b>
<u>Expenditure</u>		
Administration charges	360	367
Property Costs	-	1,910
Staff Costs	279	792
Total expenditure	<u>639</u>	<u>3,069</u>
<u>Income</u>		
Rents	2,420	6,020
Interest and investment income	2,421	806
Total income	<u>4,841</u>	<u>6,826</u>
<b>Surplus/(deficit) for the year</b>	<b>4,202</b>	<b>3,757</b>
Revaluation gains/(losses)	(3,000)	-
<b>Total comprehensive income and expenditure</b>	<b><u>1,202</u></b>	<b><u>3,757</u></b>
<b>Balance Sheet</b>	<b>31/03/2024</b>	<b>31/03/2023</b>
	<b>£</b>	<b>£</b>
<u>Non current assets</u>		
Investment properties	55,000	58,000
<u>Current assets</u>		
Loans fund deposits	56,383	52,181
<b>Total Net Assets</b>	<b><u>111,383</u></b>	<b><u>110,181</u></b>
Revenue funds	56,383	52,181
Capital funds	55,000	58,000
<b>Total reserves</b>	<b><u>111,383</u></b>	<b><u>110,181</u></b>

**Cromarty Common Good - Quarterly  
Monitoring  
Period to March 24**

**Appendix  
1b**

	<b>Actual £</b>	<b>Budget £</b>	<b>Variance £</b>
<b>INCOME</b>			
Rents	2,420	6,020	(3,600)
Interest and investment income	<u>2,421</u>	<u>100</u>	<u>2,321</u>
<b>TOTAL INCOME</b>	<b>4,841</b>	<b>6,120</b>	<b>(1,279)</b>
<b>EXPENDITURE</b>			
Property costs	-	1,500	(1,500)
Grants and Donations	-	-	-
Central support	<u>639</u>	<u>300</u>	<u>339</u>
<b>TOTAL EXPENDITURE</b>	<b>639</b>	<b>1,800</b>	<b>(1,161)</b>
<b>Income less Expenditure</b>	<b><u>4,202</u></b>	<b><u>4,320</u></b>	<b><u>(119)</u></b>
<b>Audited Reserves</b>			
As at 31.3.23	52,181		
Surplus/(deficit) for year	<u>4,202</u>		
As at 31.3.24	<u>56,383</u>		

**Cromarty Common Good - Quarterly  
Monitoring**

**Appendix 2**

**Period to Dec 24**

	<b>Actual to date</b>	<b>Budget</b>	<b>Year End Estimate</b>	<b>Variance</b>
	<b>£</b>	<b>£</b>		<b>£</b>
<b>INCOME</b>				
Rents	0	2,420	645	1,775
Interest and investment income	<u>0</u>	<u>1,000</u>	<u>1,000</u>	<u>0</u>
<b>TOTAL INCOME</b>	<b>0</b>	<b>3,420</b>	<b>1,645</b>	<b>1,775</b>
<b>EXPENDITURE</b>				
Property costs	0	1,500	1,500	0
Central support	<u>0</u>	<u>300</u>	<u>630</u>	<u>(330)</u>
<b>TOTAL EXPENDITURE</b>	<b>0</b>	<b>1,800</b>	<b>2,130</b>	<b>(330)</b>
<b>Income less Expenditure</b>	<b><u>0</u></b>	<b><u>1,620</u></b>	<b><u>(485)</u></b>	<b><u>2,105</u></b>
<b>Usable Reserves 2023/24 (Appendix 1a)</b>		56,383		
Estimated outturn for 24/25		<u>(485)</u>		
<b>Estimated Usable Reserves 2024/25</b>		<b><u>55,898</u></b>		

**CROMARTY COMMON GOOD FUND  
BUDGET 2025/26**

**Appendix 3**

	<b>Draft Budget 2025/26 £</b>
<u>Income</u>	
Rents	-
Interest and investment income	1,000
Total income	<u>1,000</u>
<u>Expenditure</u>	
Property costs	1,500
Central Support	630
Total expenditure	<u>2,130</u>
<b>Surplus/(deficit) for year</b>	<b><u><u>(1,130)</u></u></b>
<b>Estimated Revenue Reserves 2024/25</b>	<b>56,228</b>
Budget surplus/(deficit) for 25/26	<u>(1,130)</u>
<b>Forecast year end reserves 2025/26</b>	<b><u><u>£55,098</u></u></b>