

The Highland Council

Agenda Item	8b
Report No	BIER/8/25

Committee: Black Isle and Easter Ross Area Committee

Date: 27 January 2025

Report Title: Fortrose & Rosemarkie Common Good Fund – 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 Fortrose & Rosemarkie Common Good Fund Statement of Accounts and final monitoring for 2023/24. An overall revenue surplus of £27,779 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 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

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 2023/24 (**Appendix 1b**);
- ii. Scrutinise and note the position of the Fortrose & Rosemarkie Common Good Fund as shown in the 2024/25 Quarter Three monitoring statement at **Appendix 2**;
- iii. Approve the proposed budget for 2025/26 as set out in **Appendix 3**;
- iv. Agree to delegate to the Community Support and Engagement Team power to approve expenditure up to £10,000 in relation to Fortrose and Rosemarkie Common Good within the annually set budget and following consultation with

relevant Ward Members. This delegated power will be reviewed annually as part of the budget setting process.

3. Implications

- 3.1 **Resource** – The 2023/24 statement of accounts and final monitoring report note a surplus for the year of £27,779 providing a good increase in the 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 the year end. The proposed budget for 2025/26 maintains current budget levels and, with no additional gabion work expected, a surplus of £18,140 to 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 **Risk** – None
- 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 proposed budget itself and recognises that any potential projects funded by Common Good grants may have a positive impact in relation to equalities, poverty and human rights, children’s rights and wellbeing, mainland rural communities and climate change.

4.3

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 Income and Expenditure Account and Balance Sheet in respect of the Fortrose & Rosemarkie Common Good Fund (F&R CGF) for Financial Year 2023/24. This is now presented for Members consideration following agreement of the Highland Council accounts in November 2024.

- 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 significantly less than the income received, allowing for a surplus of £27,779 to be built up. No community or special grant awards were made. Overall, the Revenue reserves increased over the year from £185,148 to £212,926.
- 5.4 Revaluation gains/(losses)
The Income and Expenditure Account in **Appendix 1** reports that there was revaluation gain of £48,000.
- 5.5 Changes to Leases in 2023/24
There were no changes to leases in 2023/24.
- 5.6 Disposal and Acquisitions 2023/24
There were no disposals or acquisitions in 2023/24.

6. 2024/25 Quarter Three Monitoring Report

- 6.1 The Quarter Three monitoring report to 31 December 2024, attached as **Appendix 2**, shows income to date is £20,495 and is expected to be on budget at year end.
- 6.2 Expenditure is currently lower than anticipated in relation to property costs and grants but given the relatively low level of property costs and grants allowed for, no amendments are suggested. Expenditure at year end is anticipated to be higher than budgeted in relation to central support and staff costs and forecast to be £1,412 and aligned with the actuals in 2023/24. The increase in centre support and staff costs follows a review of all central support costs of all Common Good Funds. A year end surplus of £17,740 is anticipated.

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 from rents, interest and investment remains anticipated at the same level as in 2024/25.
- 7.3 Anticipated Expenditure – It is proposed that a modest property budget of £4,000 be retained to cover any minor insurance and property costs incurred. It is proposed to increase the budget to £1,400 for Central Support and Common Good Fund Officer costs following a review of central support costs. It is proposed to retain the budget of £1,000 for community grants and £2,000 for special grants. It is anticipated this will result in a surplus of £17,740 at year end, which will be added to reserves.

8. Approvals for Common Good Fund Expenditure

- 8.1 Members will note that different Common Good Funds in Highland have developed their own arrangements for the approval of grants and other expenditure. In the case of Fortrose and Rosemarkie Common Good Fund, in recent years a small annual grants budget has been agreed and the practice has been to follow a similar methodology to

that for Ward Discretionary Budget expenditure, that is: officers approve Common Good grants and expenditure up to £10,000 against the annual budget (agreed at Committee) and in consultation with Ward Members. The arrangement requires to be formalised and will be reviewed as part of the annual budget setting process.

9. Issues – Rent Review and Coastal Erosion

- 9.1 Members have requested the opportunity to review the current lease arrangements and rent review cadence in order to ensure best value for the Common Good Fund – early discussions are being held to discuss and agree the best way forward with officers from the Estates team.
- 9.2 Council Engineers have indicated that the Gabion baskets could be compromised in terms of their effectiveness and expect within five years further repair work will likely be needed, noting the challenge of predicting what may be needed regarding coastal erosion.

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

Date: 09 January 2025

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

Background Papers: None

Appendices: 1a, Statement of Accounts 2023-24
1b, Fortrose and Rosemarkie Common Good - Quarterly Monitoring
Period to March 24
2, Fortrose and Rosemarkie Common Good - Quarterly Monitoring
Period to Dec 24
3, Fortrose and Rosemarkie Common Good – Budget 2025-26

Appendix 1a			
STATEMENT OF ACCOUNTS 2023-24			
Fortrose and Rosemarkie Common Good Fund			
Income and Expenditure Account			
	2023/24		2022/23
	£		£
<u>Expenditure</u>			
Property repairs and maintenance	4,106		83
Administration charges	480		489
Staff Costs	941		1,097
Total expenditure	5,527		1,669
<u>Income</u>			
Rents	24,500		22,181
Interest and investment income	8,805		2,772
Total income	33,305		24,953
Surplus/(deficit) for the year	27,779		23,284
Revaluation gains/(losses)	48,000		-
Total comprehensive income and expenditure	75,779		23,284
Balance Sheet	31/03/2024		31/03/2023
	£		£
<u>Non current assets</u>			
Investment properties	219,000		171,000
Heritage assets	253,500		253,500
	472,500		424,500
<u>Current assets</u>			
Loans fund deposits	212,926		182,866
Sundry Debtors	-		3,442
	212,926		186,307
<u>Current Liability</u>			
Other Creditors	-		(1,160)
Total Net Assets	685,426		609,648
Revenue funds	212,926		185,148
Capital funds	219,000		171,000
Revaluation reserve	253,500		253,500
Total reserves	685,426		609,648

Appendix 1b				
Fortrose and Rosemarkie Common Good - Quarterly Monitoring				
Period to March 24				
	Actual	Budget		Variance
	£	£		£
INCOME				
Rents	24,500	23,340		1,160
Interest and investment income	8,805	500		8,305
TOTAL INCOME	33,305	23,840		9,465
EXPENDITURE				
Property costs	4,106	4,000		106
Central support and CGFO	1,421	1,000		421
Community Grants	-	1,000		(1,000)
Special Grants	-	2,000		(2,000)
TOTAL EXPENDITURE	5,527	8,000		(2,579)
Surplus/(deficit) before projects	27,779	15,840		12,044
Revenue Reserves				
As at 31.3.23	185,148			
Surplus/(deficit) for year	27,779			
As at 31.3.24	212,926			

Fortrose and Rosemarkie Common Good - Quarterly Monitoring
Period to Dec 24

Appendix 2

	Actual to date	Budget	Year End Estimate	Variance
	£	£		£
INCOME				
Rents	20,495	23,340	23,340	0
Interest and investment income	0	2,800	2,800	0
TOTAL INCOME	20,495	26,140	26,140	0
EXPENDITURE				
Staff costs	0	500	500	
Property costs	0	4,000	4,000	0
Central support	0	500	900	(400)
Community Grants	0	1,000	1,000	0
Special Grants	1,000	2,000	2,000	0
TOTAL EXPENDITURE	1,000	8,000	8,400	(400)
Surplus/(deficit) before projects	19,495	18,140	17,740	400
Surplus/(deficit) after projects	19,495	18,140	17,740	400
Unaudited Usable Reserves 2023/24 (Appendix 1b)		212,926		
Estimated outturn for 24/25		17,740		
Estimated Usable Reserves 2024/25		230,666		

**FORTROSE & ROSEMARKIE COMMON GOOD FUND
BUDGET 2025/26**

Appendix 3

**Draft
Budget
2025/26
£**

Income

Rents	23,340
Interest and investment income	2,800
Total Income	<hr/> 26,140

Expenditure

Property costs	4,000
Central support & CGFO	1,400
Community Grants	1,000
Special Grants	2,000
Total Expenditure	<hr/> 8,400

Surplus/(deficit) for year

17,740

Estimated Revenue Reserves 2024/25 231,066
Budget surplus/(deficit) for 25/26

17,740
Forecast year end reserves 2025/26

£248,806
