

Agenda Item	11(c)
Report No	CIA/36/17

HIGHLAND COUNCIL

Committee: **City of Inverness Area Committee**

Date: **14 September 2017**

Report Title: **Inverness Common Good Fund**

Report By: **Head of Corporate Governance**

1 Purpose/Executive Summary

- 1.1 The recent Internal Audit Report on Common Good Funds- Rental Income highlighted uncertainty as to the arrangements currently in place in respect of the Inverness travelling People's site and separately the former Longman Landfill Site.
- 1.2 The report advises Members of the decision taken by Inverness District Council in 1983 not to seek any form of rental payment in respect of the Travelling People's site and invites members to consider the appropriateness of continuing the current arrangement.
- 1.3 The report also advises Members of the history of the former Longman Landfill Site and that efforts, to date, to identify any decision establishing the Council's occupation have been unsuccessful.

2 Recommendations

- 2.1 Members are asked to:
 - i. Consider and note the terms of reference provided by the Audit and Scrutiny Report;
 - ii. Consider the status of the Travelling People's Site and, if minded to instigate a commercial arrangement receiving Market Value 'Rent' for the Site, instruct the Inverness City Area Manager to establish the Market Value rent for the Site and thereafter invite the Director of Development and Infrastructure to negotiate commercial letting arrangements for the use of the Site by the Council as a Traveling People's Site; and
 - iii. Consider and note the position in respect of the land forming the former Longman Landfill Site.

3 Background

- 3.1 At its meeting on 2nd March 2017 the Audit and Scrutiny Committee considered a Report by the Corporate Audit Manager on 'Common Good Funds-Rental Income.'

https://www.highland.gov.uk/download/meetings/id/71766/item_4_internal_audit_reviews_and_progress_report

At paragraph 4.3.1 of the report the Corporate Audit Manager narrated concerns that had been identified by a Member in respect of the administration of the Inverness Travelling Persons site and the former Longman Landfill facility. Both sites are held on the Inverness Common Good account.

Following consideration the Committee agreed the following :-

FINDING

(1).No rent is charged for the Travelling People's site and former tip on land which belongs to Inverness Common Good Fund. The legitimacy of the rationale behind the Travelling People's site is questioned. Also the original agreement relating to the former tip could not be located.

RECOMMENDATION

The enquiries underway by the Inverness City Area Manager and the Head of Corporate Governance should form a formal review of the current arrangements in order to establish the correct legal position. Thereafter this should be reported to the City of Inverness and Area Committee for Member consultation and approval.

MANAGEMENT AGREED ACTION

A report will be provided per the recommendation

TARGET DATE

14 September 2017

4 Travelling People's Site

- 4.1 The Travelling People's site at the Longman was established by the Council's predecessor authority Inverness District Council in the 1980s. The site is held on the Common Good account.

- 4.2 At its meeting on 7th September 1983 Inverness District Council's General Purposes Committee decided the following:-

'Having heard the views of the Accountant it was agreed to seek the District Valuer's valuation for the rental of the site which would be charged to the Housing account which rental would also be the level of the annual grant which the Common Good Fund would make to the Housing Department for the purpose of providing a site for travelling people.'

- 4.3 The District Valuer subsequently confirmed that the value of the annual rental would be £1200 per annum.

- 4.4 A certified copy of the Minute of the General Purposes Committee of 7th September 1983 together with a copy of the District Valuer's report was placed with the titles.
- 4.5 Since the establishment of the site the responsibility for day to day management of the facility, maintenance and repair costs and support to the residents has been undertaken by the Council's Housing Service. In return the Housing Service is responsible for collecting the rental payments from tenants.
- 4.6 The Corporate Audit Manager has '*...questioned if this arrangement continues to be an appropriate use of the Common Good Fund.*' The arrangement was one established and agreed many years ago by then trustees of the fund. The former District Council appear to have been careful to establish clearly the basis of the arrangement and to have been satisfied it was, at that time, an appropriate use of the Fund. The arrangement has subsisted until the present day ostensibly without any challenge.
- 4.7 If this were an application to be considered afresh then Members would be invited to consider;
- The 'value' of the current use to the residents of the Burgh
 - The responsibility that the Council has to deliver the Service facilitated by the Site
 - The open Market Value of the Site to the Inverness Common Good Fund

The Committee, as the current trustees of the Fund, are invited to consider if they are satisfied that the current quid pro quo arrangement which offers support to the Council in its management of travelling people continues to be an appropriate use of the Common Good Fund.

5 Former Longman Landfill Site

- 5.1 The greater part of area of the Longman situated to the east of the A9 was for many years used for landfill activity. The extent of the landfill has included those areas now restored and used for Inverness Caledonian Thistle's stadium and the Travelling People's site.
- 5.2 The area originally comprised foreshore. Over many years, following a programme of landfill, reclamation, remediation and restoration, parts of the area have been put to alternative use.
- 5.3 The area is held on the Common Good Fund and in 2015 a Member raised a query as to the Council's occupation of the former landfill facility which closed in 2003. In particular the Member sought clarification of the basis of the Council's occupation and in particular why no rental was being paid.
- 5.4 Since the query was received officers from the Legal Section together with High Life Highland colleagues based at the Archive Centre have researched the history of the area in order to establish if any decision was taken by the Council's predecessors akin to that reached in respect of the Travelling People's site.
- 5.5 To date the research has identified that tipping on the foreshore first took place in the early part of the twentieth century. This activity appears to have continued for many years and following WWII more formal management appears to have been established

with a number of cells being created from the late 1940s. The process of deposit, reclamation and restoration has continued to the present day. The Council remains responsible for the management of the former facility including the installation of an extensive pipe network to capture and flare off gases.. The Committee will be aware of the previous approval to install a 50KW gas engine to generate electricity from the gas that is currently being flared off. The revenue generated from this activity will be divided equally between the Council and the Common Good Fund.

- 5.6 In the longer term the area has the potential for significant development which will generate additional income for the Fund.
- 5.7 All efforts to date to identify the basis of the Council's occupation have been unsuccessful. It is believed that use of the land has developed through custom and practice rather than by formal decision.
- 5.8 The Fund has benefitted from the land reclamation and the land concerned is now under a recovery programme which will result in it becoming available for development over the next 30 years. The Longman East Development Brief is being prepared on that basis and will provide a more detailed appraisal of the potential for the former Landfill Site.

6 Implications

- 6.1 Resource – A decision to seek to recover market value rent for the Travelling People's site will result in an additional income to the Common Good Fund and a commensurate increased cost to the Council's Housing Revenue Account.
- 6.2 There are no Legal, Community, Climate Change/Carbon Clever, Risk or Gaelic implications.

Designation: Head of Corporate Governance

Date: 4 September 2017

Author: Stewart Fraser, Head of Corporate Governance

Background Papers: