

<b>Agenda Item</b>	<b>10a</b>
<b>Report No</b>	<b>RC/041/18</b>

## **THE HIGHLAND COUNCIL**

**Committee:** Ross and Cromarty

**Date:** 1 November 2018

**Report Title:** Cromarty Common Good Fund – Annual Report and Quarter 2 Monitoring Report

**Report By:** Derek Yule, Depute Chief Executive and Director of Corporate Resources and Alison Clark, Acting Head of Policy

### **1. Purpose/Executive Summary**

- 1.1 The purpose of this report is to present the audited accounts for 2017/18 and the second Quarter monitoring for 2018/19 of the Cromarty Common Good Fund. The report highlights main issues regarding the accounts and the impact and strategy in relation to the overall Fund value.

### **2. Recommendations**

2.1 Members are asked to:

- Consider the Cromarty Common Good Fund Annual Report for 2017/18;
- Consider the position of the Cromarty Common Good Fund, as shown in the 2018/19 Quarter 2 monitoring statement against budget.

### 3. Annual Report

- 3.1 Appendix 1 of this report shows the Income and Expenditure Account and Balance Sheet in respect of the Cromarty Common Good Fund for Financial Year 2017/18.
- 3.2 Income received was on target whilst spend on grants and property costs was lower than anticipated. As a result the overall surplus was higher than expected at £3,468 against a budgeted surplus of £1,381. This has increased the usable reserves at 31 March 2018 to £28,879 from £25,411, which is represented on the balance sheet by the movement in revenue funds.
- 3.3 Following the year-end valuation process a revaluation gain of £2,000 has been recognised in terms of the investment property held by the fund. This does not have an impact on the Usable Reserves of the fund but can be seen by the movement in the Capital Adjustment Account which is the reserve that holds the balance of the Investment Properties.

### 4. Monitoring Statement to 30 September 2018

- 4.1 A monitoring statement showing transactions to the end of September 2018 against budget is attached as Appendix 2.
- 4.2 **Income** - The income comes from rental of the Victoria Hall and the East Church Hall and will be received in Quarter 3.
- 4.3 **Expenditure** - There is a small charge in relation to staff costs for the Common Good Fund Officer which is within the budget set. No grants have been awarded as yet and only a small portion of the property budget has been required to date in relation to Cromarty Townlands playground.
- 4.4 Overall it is anticipated income and expenditure will be on budget and that the fund will return a surplus of £1,081 for this financial year.

### 5. Implications

- 5.1 **Usable Reserves** stood at £28,879 as at 31 March 2018 having risen from £25,411 as at 31 March 2017.
- 5.2 **Resource** – Members will note a surplus of £1,081 is anticipated at the end of 2018/19. Expenditure is being kept to a minimum in order to build reserves for future envisaged capital projects and for protection of Common Good assets. Any future Capital Projects will be brought to Committee for consideration.
- 5.3 **Legal** - none
- 5.4 **Community (Equality, Poverty and Rural)** – None. Any future major project for the protection or refurbishment of Common Good assets would seek to improve equality of access.

5.5 **Climate Change/Carbon Clever** – None. Any future project for protection or refurbishment would seek to increase energy efficiency and equality of access where possible

5.6 **Risk** – None.

Designations: Derek Yule, Depute Chief Executive & Director of Corporate Resources  
Alison Clark, Acting Head of Policy

Date: 23 October 2018

Author: Diane Agnew, Ward Manager  
Steven Wright, Trainee Accountant

## Appendix 1

**STATEMENT OF ACCOUNTS 2017-18**  
**Cromarty Common Good Fund**  
**Income and Expenditure Account**

	2017/18 £	2016/17 £
<b>Expenditure</b>		
Special grants	200	(450)
Administration charges	145	150
Property Costs	917	-
Staff Costs	215	-
Total expenditure	<u>1,477</u>	<u>-300</u>
<b>Income</b>		
Rents	4,840	4,840
Interest and investment income	105	63
Total income	<u>4,945</u>	<u>4,903</u>
<b>Surplus/(deficit) for the year</b>	<u><b>3,468</b></u>	<u><b>5,203</b></u>
Revaluation gains/(losses)	2,000	-
Total comprehensive income and expenditure	<u><u>5,468</u></u>	<u><u>5,203</u></u>
<b>Balance Sheet</b>	31/03/2018 £	31/03/2017 £
<b>Non current assets</b>		
Investment properties	55,000	53,000
<b>Current assets</b>		
Loans fund deposits	28,879	25,411
	<u>28,879</u>	<u>25,411</u>
<b>Total Net Assets</b>	<u><u><b>83,879</b></u></u>	<u><u><b>78,411</b></u></u>
<b>Usable reserves</b>		
Revenue funds	28,879	25,411
<b>Unusable reserves</b>		
Capital adjustment account	55,000	53,000
	<u>55,000</u>	<u>53,000</u>
<b>Total reserves</b>	<u><u><b>83,879</b></u></u>	<u><u><b>78,411</b></u></u>

**Cromarty Common Good - Quarterly Monitoring  
Period to 27 September 2018**

	<b>Actual to date £</b>	<b>Budget £</b>	<b>Year End Estimate £</b>	<b>Variance £</b>
<b>INCOME</b>				
Rents	-	4,840	4,840	0
Interest and investment income	-	100	100	0
<b>TOTAL INCOME</b>	-	4,940	4,940	0
<b>EXPENDITURE</b>				
Staff Costs - CGF Officer	18	300	300	0
Grants and Donations	-	1,000	1,000	0
Property costs	519	2,459	2,459	0
Central support	-	100	100	0
<b>TOTAL EXPENDITURE</b>	537	3,859	3,859	-
Income less Expenditure	<u>(537)</u>	<u>1,081</u>	<u>1,081</u>	<u>0</u>