

Agenda Item	8
Report No	NC/15/20

THE HIGHLAND COUNCIL

Committee: Nairnshire Committee

Date: 2 December 2020

Report Title: Nairn Common Good Fund

Report By: Executive Chief Officer Communities and Place and
Executive Chief Officer Resources and Finance

1. Purpose/Executive Summary

1.1 This report provides information on income and expenditure in relation to the Nairn Common Good Fund (NCGF) for period July to September 2020 and also provides an update on current NCGF issues. It also asks Members to scrutinise and note the position of the NCGF as shown in the Quarter 2 Monitoring Statement found at **appendix 1**.

2. Recommendations

2.1 Members are asked to:

- i. Scrutinise and note the position of the NCGF as shown in the Quarter 2 Revenue Monitoring Statement against Budget for 2020/21.

3. Implications

- 3.1 Resource - Financial implications are as outlined in this report and as previously reported to this Committee, expenditure continues to be kept to a minimum to give the NCGF the best opportunity to build reserves for future projects for protection or development of NCGF Assets. As noted previously to this committee, work is required to develop an approach to income generation to ensure a source of revenue for development and replacement of new assets such as the Splash Pad.
- 3.2 Legal – The application of funds will fall within the competency guidelines set out both in statute and common law in relation to Common Good funds. The application of funds will remain compliant with all financial regulations.
- 3.3 Community (Equality, Poverty, Rural and Island) – There are no community implications associated with this report.

- 3.4 Climate Change/Carbon Clever – none. Any future project for the protection or improvement of assets would seek to protect the environment and increase energy efficiency where possible.
- 3.5 Risk - To mitigate the risk to the Common Good Fund, consideration must be given as to the potential for income generation from Nairn Common Good assets to support ongoing maintenance and sustainability of other projects coming forward.
- 3.6 Gaelic - none

4. Quarter 2 Revenue Monitoring Report

- 4.1 A monitoring statement showing transactions against budget for the period to 30 September 2020 and the estimated year end position is attached at **Appendix 1**.

Members will note the (unaudited) balance of usable reserves at 31 March 2020 was £621,318.

- 4.2 **Income** – The income received to date relates principally to property rentals, which are anticipated to be on target. However, lettings are currently showing a nil income to date, with an anticipated deficit of £12,500. This is primarily due to the cancellation of the Nairn Highland Games as a result of covid-19, where annual income received from stalls and tendering for the provision of a hospitality tent but also the annual let of the Links by the Showmen’s Guild.
- 4.3 **Expenditure** – Limited expenditure has been incurred in the year to date. Under property maintenance, the approved budget is for grass cutting and grounds maintenance, the Highlife Highland management fee for the Leisure Park and Paddling Pool/Splash Pad, replacement equipment and for maintenance works carried out across the Links to benches, shelters and noticeboards.
- 4.4 In relation to the spend on grounds maintenance, due to the delay in grass cutting, more attention was necessary to get the grass back to an acceptable standard. This was because the grass was so long it required numerous cuts to get it to the correct level using the machines in place. As a result, it is expected for the spend to come in on budget.
- 4.5 Whilst there has not been any works carried out on the Paddling Pool due to COVID-19 and then its closure due to the ongoing Splash Pad works, which has produced a reduction in Highlife Highland management fee costs to date, there will be costs to be incurred for the new Splash Pad facility this financial year which will be reflected in Quarter 4 monitoring report.
- 4.6 The property costs currently showing of £4,800 are:
- £3500 in respect to the wall at Mill Road reported in which required urgent attention.
 - £1000 in respect of 50% contribution to works at Laing Hall
 - £300 High Life Highland – Scottish Beach Award Fee

Annual Surplus – The approved budget for the year expected a surplus of £33,575 to be generated this year with that sum being added to reserves or available to fund project spend. As a result of the income shortfall as referenced to in 4.2 a reduced surplus of £21,075 is now forecast.

4.7 Project costs shown are related to the Splash Pad and these are set out separately in appendix, highlighting the income and expenditure associated with the project.

Overall, £115,000 of Nairn Common Good funds are required to contribute to the Splash Pad project. Using the forecast annual surplus of £21,075 as described above would then require a further £93,925 to be drawn down from the Fund's reserves to support completion of the project.

Designation: Executive Chief Officer Communities and Place
Executive Chief Officer Resources and Finance

Date: 17 November 2020

Author: Willie Munro, Ward Manager

Background Papers:

Appendix 1 – quarterly monitoring

	Actual to date £	Annual Budget £	Estimated Outturn £	Variance £
INCOME				
Rents	60,708	108,000	108,000	0
Lettings	0	12,500	0	12,500
Miscellaneous Income	27	125	125	0
TOTAL INCOME	<u>60,735</u>	<u>120,625</u>	<u>108,125</u>	<u>12,500</u>

EXPENDITURE

Property Costs	4,720	67,000	67,000	0
Electricity	720	2,000	2,000	0
Water charges	231	750	750	0
Rents, Rates and Insurance	53	3,550	3,550	0
Central support	2,144	12,500	12,500	0
Advertising	0	250	250	0
Legal Expenses	0	1,000	1,000	0
TOTAL EXPENDITURE	<u>7,868</u>	<u>87,050</u>	<u>87,050</u>	<u>0</u>

Income less Expenditure	<u><u>52,867</u></u>	<u><u>33,575</u></u>	<u><u>21,075</u></u>	<u><u>12,500</u></u>
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PROJECTS

INCOME

Contribution - Links Team Hamish	110,000	110,000	110,000	0
Contribution - Links HQ Project Management	0	25,000	25,000	0
	<u>110,000</u>	<u>135,000</u>	<u>135,000</u>	<u>0</u>

EXPENDITURE

Project Costs NCGF	2,632	15,000	15,000	0
Project Costs HC	0	25,000	25,000	0
Splash pad exp funded by Community	207,234	110,000	110,000	0
Use of reserves for splash pad	0	100,000	100,000	0
	<u>209,866</u>	<u>250,000</u>	<u>250,000</u>	<u>0</u>

Unaudited Usable Reserves for 2019/20 £621,318