

Agenda Item	7.
Report No	SCC/16/23

HIGHLAND COUNCIL

Committee: Sutherland County Committee

Date: 8 August 2023

Report Title: Dornoch Common Good Quarter 1 Monitoring Report

Report By: ECO Communities and Place
Head of Corporate Finance

1. Purpose/Executive Summary

- 1.1 This report provides a financial monitoring report for the first quarter of Financial Year 2023/24 and provides an update on current Dornoch Common Good issues.

2. Recommendations

- 2.1 Members are asked to:
- i. note the position of Dornoch Common Good fund at the end of the first quarter FY 23/24;
 - ii. homologate £13,163 of expenditure on essential repairs to Dornoch Beach car parks;
 - iii. note the update on current Dornoch Common Good issues.

3. Implications

- 3.1 Resource implications
The Q1 monitoring statement highlights predicted income and expenditure against the budget. As detailed in Section 4.3, expenditure is expected to exceed the budget presented to Sutherland County Committee on 24 January 2023 as a result of unbudgeted essential expenditure. This is affordable given current levels of reserves.
- 3.2 Legal implications
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 Community (Equality, Poverty, Rural and Island) impacts

Grants from Dornoch Common Good Fund are awarded in consultation with Dornoch Area Community Council. Community consultations are carried out in line with Community Empowerment Act on potential disposals of Common Good land.

3.4 Climate Change – no implications

3.5 Risk

The estimated outturns for expenditure (see Section 4.3) indicate that £81,922 will be drawn from reserves by the end of 23/24, reducing the reserves to £205,164. While this is affordable in the current year, this cannot be sustained on an ongoing basis. This will mean having to balance discretionary and essential expenditure. It should be noted that there are potentially significant liabilities likely to arise in the near future on common good assets including patching / resurfacing the top Beach Car Park (which is tarred) and possible repairs and improvements to Dornoch Burn.

3.6 Gaelic – no implications

4. **Monitoring Report Q1 2023/24**

4.1 A monitoring statement showing transactions to the end of June 2023 against budget and estimated year end position is attached at Appendix One.

4.2 Income

- Rental income was received in Q1 from Dornoch Caravan Park (first of two annual payments). The remainder is made up of part payments (monthly direct debit).
- The remaining rents will be invoiced later in the year when they become due.
- Income is expected to be on target for the year.

4.3 Expenditure

4.3.1 Grants and Contributions

- Grants and Contributions totalling £7,356 were paid during the first quarter – see Appendix Two
- A further £11,221 has been committed, comprising £8,305 for Allsorts After School and Holiday Club towards its running costs; and £2,916 to Dornoch Beach Wheelchairs for playpark improvements.
- £6,423 remains available for community grants for the remainder of the financial year.
- Following the approval of £50,000 for Dornoch Heritage SCIO at Sutherland County Committee on 16 May 2023, the estimated outturn for Grants and Contributions is now £129,999: See table below:

Project	Amount (£)
Community Projects (paid Q1)	7,356
Community Projects (committed)	11,221
Community Projects (budget available)	6,423
Community Projects total	25,000
Dornoch BID (c/f from 22/23)	4,999
Dornoch Heritage SCIO – Historylinks Museum (inc. £7,000 c/f from 22/23)	50,000
DACIC Project Curlew Phase 2 MUGA	50,000
Total estimated outturn	£129,999

4.3.2 Miscellaneous Costs

The estimated outturn for Miscellaneous Costs is £26,663. The projected overspend has been caused by two projects to repair Dornoch Beach car parks costing a total of £13,163. The repairs were required to ensure the playpark and overflow car parks could continue to be used following wear and damage at the overflow car park entrance and on the road verge by the playpark car park. The Committee is asked to homologate this expenditure.

Other expenditure, which will be incurred this year under Miscellaneous Costs includes:

- Repairs to Burghfield steps costing £6,650. This work to repair unsafe steps and wall repairs was scheduled for FY22/23 but was delayed by contractor availability.
- Insurance £1,623
- Professional costs
- Based on 2022/23 expenditure, approximately £5,000 to £6,000 will be required for professional and other property costs (e.g. rent reviews).

6 Current Common Good Issues

6.1 Rent Reviews

There are currently rent reviews taking place for the Caravan Park and the Scottish Water Pumping Station and Sewage Works. Rents will be amended in line with the reviews' recommendations once they are completed.

6.2 Dornoch Burn

As reported to Committee in January 2023, via the support of NatureScot, the River Restoration Centre, based at Cranfield University, has completed a survey with recommendations for resolving issues with the lower part of Dornoch Burn. The final report is expected shortly, and Members will be updated in due course.

6.3 RDGC Clubhouse

There is no indication of when the works on the proposed new clubhouse are due to start.

Designation: ECO Communities and Place
Head of Corporate Finance

Date: 5 July 2023

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Appendix One - Dornoch Common Good - Quarterly Monitoring

Period to end June 2023

	Actual to date £	Budget £	Estimated Outturn £	Variance £
INCOME				
Rents	18,536	70,740	70,740	-
Sales-Land/Building	-	-	-	-
Invitation to pay income	724	4,500	4,500	-
Interest and investment income	-	2,500	2,500	-
TOTAL INCOME	<u>19,260</u>	<u>77,740</u>	<u>77,740</u>	<u>-</u>
EXPENDITURE				
Staff Costs	-	3,000	3,000	-
Grants & contributions	7,356	86,999	129,999	43,000
Miscellaneous Costs	14,859	13,500	26,663	13,163
TOTAL EXPENDITURE	<u>22,215</u>	<u>103,499</u>	<u>159,662</u>	<u>56,163</u>
Income less Expenditure	<u>(2,956)</u>	<u>(25,759)</u>	<u>(81,922)</u>	<u>(56,163)</u>
Unaudited Usable Reserves 2022/23		£287,086		
Estimated outturn for 23/24		<u>(81,922)</u>		
Estimated Usable Reserves 2023/24		<u>£205,164</u>		

Appendix Two

Grants and Contributions paid to end June 2023

Organisation	Project	Paid (£)
East Sutherland Camera Club	Highland Challenge 2023	500
Dornoch Area Community Council	Maintenance & Improvement Project (6) 1/2	173
Dornoch Area Community Council	Maintenance & Improvement Project (6) 2/2	688
Dornoch Trust	Beach Toilets	1,995
Dornoch Bowling Club	Upgrade of Green and Erection of Wall	4,000
Total		7,356