

<b>Agenda Item</b>	<b>5</b>
<b>Report No</b>	<b>BI/14/23</b>

## **THE HIGHLAND COUNCIL**

**Committee:** **Black Isle Committee**

**Date:** **7 November 2023**

**Report Title:** **Cromarty Common Good Fund – Quarter Two Monitoring Report**

**Report By:** **Executive Chief Officer - Communities and Place  
Head of Corporate Finance and Commercialisation**

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

- 1.1 This report presents the Cromarty Common Good Fund Quarter Two monitoring statement for 2023/24.

### **2. Recommendations**

- 2.1 Members are asked to:
- i. Scrutinise and note the position of Cromarty Common Good Fund as shown in the 2023/24 Quarter Two Monitoring Statement.
  - ii. Agree the proposed budget changes outline in paragraph 4 in order to reflect the reduced income now available to the fund as a result of the reclassification of the Victoria Hall and to avoid a deficit budget.

### **3. Implications**

- 3.1 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. Additionally, through the governance being applied by the Finance Service, funds will remain compliant with all financial regulations.
- 3.2 Resource Implications: The Q2 monitoring statement highlights predicted income and expenditure against the budget set and proposes the removal of the grant budget in order to avoid a deficit budget.
- 3.3 Risk implications: the Victoria Hall has been identified as a Trust rather than a Common Good property. This means the rental income will no longer be credited to the Common

Good Fund. Loss of this income reduces the overall income anticipated significantly. Any significant unforeseen costs would put the fund into deficit meaning Useable Reserves would be reduced.

- 3.4 Community (Equality, Poverty and Rural) Implications – a small community grants budget of £1,000 was set for 2023/24. However, given the reduced level of income now anticipated Members are asked in the report to consider removing this budget. There are no other equality, poverty or rural implications as a result of the report.
- 3.5 Climate Change/Carbon Clever implications: Any current and future projects for protection of Common Good assets would seek to increase energy efficiency where possible.
- 3.6 Gaelic – None.

#### **4. Quarter One Monitoring Statement**

- 4.1 A Monitoring Statement showing transactions to the end of September 2023 against budget and estimated year end position is at **Appendix 1**.
- 4.2 **Income** – The income for Cromarty Common Good now arises from East Hall only and this has been received. Interest on projected surplus balances of approximately £100 is also anticipated. The loss of the Victoria Hall income means the overall income outturn is now estimated at £2,520. A higher level of interest is also anticipated but not updated at this stage; this can be reviewed later in the year. Members are asked to note the amended position and to agree to amend the income budget set to reflect this as shown in the report.
- 4.3 **Expenditure** –
  - 4.3.1 There has been minimal expenditure to date. Members are asked to agree that the property budget be reduced to £1,500 to reflect the removal of responsibility for the Victoria Hall, including responsibility for property repairs.
  - 4.3.2 Members are also asked to reconsider the grants budget which was set at £1,000. At that time, with the Victoria Hall income and associated responsibilities this resulted in a small surplus of £1,820 being anticipated. Taking into account the reduced income but also lower anticipated property costs, a maximum grant budget of £750 would still allow a balanced budget, provided no additional unanticipated costs were incurred. A nil grants budget would result in a small surplus of £720. Members are asked to consider setting a nil grants budget in order to reduce pressure on the fund.

Designation: Executive Chief Officer, Communities and Place  
Head of Corporate Finance and Commercialism

Date: 4 October 2023

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**Cromarty Common Good - Quarterly Monitoring  
Period to Sept 23**

**Appendix  
1**

	<b>Actual to date £</b>	<b>Revised Budget £</b>	<b>Year End Estimate</b>	<b>Variance £</b>
<b>INCOME</b>				
Rents	2,420	6,020	2,420	3,600
Interest and investment income	-	100	100	-
<b>TOTAL INCOME</b>	<u>2,420</u>	<u>6,120</u>	<u>2,520</u>	<u>3,600</u>
<b>EXPENDITURE</b>				
Property costs	-	3,000	1,500	1,500
Grants and Donations	-	1,000	-	1,000
Central support	33	300	300	-
<b>TOTAL EXPENDITURE</b>	<u>33</u>	<u>4,300</u>	<u>1,800</u>	<u>2,500</u>
<b>Income less Expenditure</b>	<u><u>2,387</u></u>	<u><u>1,820</u></u>	<u><u>720</u></u>	<u><u>1,100</u></u>
<b>Unaudited Usable Reserves 2022/23</b>		52,181		
Estimated outturn for 23/24		<u>720</u>		
<b>Estimated Usable Reserves 2023/24</b>		<u><u>52,901</u></u>		

