

The Highland Council

Agenda Item	11
Report No	CC/10/26

Committee: Caithness

Date: 19 January 2026

Report Title: Wick Common Good Fund – 2024/25 Annual Accounts and Final Monitoring, 2025/26 Quarter Three Monitoring Report and 2026/27 Proposed Budget

Report By: Assistant Chief Executive - Place

1 Purpose/Executive Summary

- 1.1 This report presents the Wick Common Good Fund Statement of Accounts and final monitoring for 2024/25.
- 1.2 This report also presents the income and expenditure monitoring position for the Common Good Fund on 31 December 2025 (Q3) and the projected year end position for 2025/26.
- 1.3 The report further seeks approval for the budget for Wick Common Good Fund for Financial Year 2026/27.

2 Recommendations

- 2.1 Members are asked to:-
 - i. Consider and agree the Wick Common Good Fund Statement of Accounts (**Appendix 1**) and Quarter 4 monitoring report for 2024/25 (**Appendix 2**);
 - ii. Consider and note the position of the Wick Common Good Fund, as shown in the Q3 monitoring statement (**Appendix 3**) against budget for 2025/26; and
 - iii. Approve the Wick Common Good Fund Annual Budget for 2026/27 (**Appendix 4**).

3 Implications

- 3.1 **Resource** -The statement of accounts and final monitoring report show Wick Common Good Fund returned a revenue surplus of £52,489 in 2024/25, although Members will note that the Town Hall running costs were not charged against the provision in the Budget. The projected outturn for the current year 2025/26 is a surplus of £35,100. Any outstanding Town Hall costs beyond those in the 2025/26 budget, will continue to be met on a temporary basis from the General Fund. However, Wick Common Good should cover its liabilities without recourse to the General Fund, and efforts continue to achieve that. Only when Wick Common Good Fund covers its liabilities can consideration be given to introducing a community grant funding stream or contribution to wider community projects.
- 3.2 **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. The application of funds will comply with all financial regulations.
- 3.3 **Risk** - Based on current income levels, Wick Common Good generates a surplus before Wick Town Hall property costs are deducted. However, if those costs are factored in, the long-term position is an ongoing deficit which is not sustainable. Where possible, Common Good Funds should cover their own liabilities without drawing on the General Fund.
- 3.4 **Health and Safety (risks arising from changes to plant, equipment, process, or people)** - None
- 3.5 **Gaelic** - None

4 Impacts

- 4.1 In Highland, all policies, strategies or service changes are subject to an integrated screening for impact for Equalities, Poverty and Human Rights, Children's Rights and Wellbeing, Climate Change, Islands and Mainland Rural Communities, and Data Protection. Where identified as required, a full impact assessment will be undertaken.
- 4.2 Considering impacts is a core part of the decision-making process and needs to inform the decision-making process. When taking any decision, Members must give due regard to the findings of any assessment.

4.3 Integrated Impact Assessment - Summary

4.3.1 An Integrated Impact Assessment screening has been undertaken on the proposed budget for 2026/27, and the conclusions have been subject to the relevant Manager Review and Approval.

4.3.2 The Screening process has concluded that there are no impacts identified in relation to the proposed budget.

4.3.3	Impact Assessment Area	Conclusion of Screening/Full Assessment
	Equality	<i>No impact</i>
	Socio-economic	<i>No impact</i>
	Human rights	<i>No impact</i>
	Children's rights & well-being	<i>No impact</i>
	Island and mainland rural	<i>No impact</i>
	Climate change	<i>No impact</i>
	Data rights	<i>No impact</i>

5 2024/25 Statement of Accounts and Final Monitoring

5.1 **Appendix 1** of this report shows the Income and Expenditure Account and Balance Sheet in respect of the Wick Common Good Fund for Financial Year 2024/25.

Appendix 2 shows the actual income and expenditure against budget for Financial Year 2024/25.

5.2 Income

- Overall, income was £59,805, representing a surplus of £40,555 against the balanced budget
- Rental income for the year is that received for occupied offices in Wick Town Hall and is as per budget.
- No income from lettings was received in 2024/25.
- Invitation to pay income was, in the main, on budget.
- Income of £37,884 from Legal Fees Recovery is a one-off payment for an oversail option to transport windfarm components.
- Interest and investment income of £2,277 was in excess of the budget due to high interest rates during the year.

5.3 Expenditure

- Expenditure in 2024/25 totalled £7,317.
- No utilities charges were applied to the fund in 2024/25, although costs were incurred and £13,350 was budgeted. This is being progressed with the relevant service team.
- Property costs of £1,189 relating to repairs at the Riverside wall and footpath were applied to the fund.
- Staff costs, which comprise the Common Good Officer costs, are more than budgeted due to additional work on the consultation relating to the oversail proposal, as discussed at Caithness Committee on 20 May 2024.
- Car parking costs were slightly over budget.

- Miscellaneous costs comprised advertising and court fees associated with the oversail agreement.

5.4 **Variations**

Members will note that the fund has delivered a surplus at year-end as opposed to the agreed balanced budget. This is due to the underspend against utilities charges and the one-off oversail payment. Nonetheless, the fund continues to face significant liabilities mostly associated with the Town Hall, and as previously noted to Members, any surplus is required to build up reserves until the fund can sustainably cover its costs.

5.5 **Revaluation gains/(losses)**

The revaluation gain of £191,704 results from a revaluation of the Wick Common Good assets in 2024/25.

5.6 **Balances**

Members are requested to note that the Fund shows a surplus for 2024/25 of £52,489. On 31 March 2025 the total assets of Wick Common Good were £757,778, including (Revenue Funds) of £89,059 and capital funds of £668,719.

5.7 **Changes to Leases in 2024/25**

- Office space in Wick Town Hall was let to a third sector organisation in September 2024. The lease ended in September 2025, and another third sector organisation is currently in discussions with the Council regarding rental of two offices in Wick Town Hall.
- Wick Academy FC has been in contact to restart discussions around options for Bignold House, Members will be updated in due course.

5.8 **Disposal and Acquisitions 2024/25**

There were no disposals or acquisitions in 2024/25.

6 **2025/26 Third Quarter Monitoring Report**

6.1 **Appendix 3** of this report shows the position of the Wick Common Good Fund at the end of the Third Quarter of the current Financial Year (2025/26), reported against the 2025/26 budget agreed by Caithness Committee in January 2025. Overall, a surplus of £35,100 is forecast for Financial Year 2025/26.

6.2 **Income**

- Rental income (£1,350) is for the Valuation Board offices, and the remainder for the year will be paid in Q4. The expected outturn at year end for rental income is £11,200.
- No letting income was received, although it is anticipated that the income from lets at Riverside Park will be transferred by Highlife Highland in Q4, as agreed.
- On a pro rata basis, Invitation-to-Pay income appears to be on track to achieve budget, although income may reduce through the winter.

6.3 **Expenditure**

- Costs incurred in the year to date (£1,137) included were minor property costs, replacement flags for Wick Town Hall and a contribution to the Common Good Officer costs.

7 **Budget 2026/27**

7.1 The proposed budget for 2026/27 is outlined in **Appendix 4**.

7.2 **Rental Income**

Rental income comprises income from the Valuation Joint Board for its office in Wick Town Hall. The third sector tenant has ceased their rental in the Town Hall, but here is currently interest from another third sector organisation to lease two office spaces in the Town Hall.

- 7.3 **Lettings**
This comprises income from events held on Riverside Park and income from lets/ events held in Wick Town Hall.
- 7.4 **Invitation to Pay Income**
The estimated income to Wick Common Good is £9,000 based on the most recent full year income figures.
- 7.5 **Interest On Revenue Balances**
It is anticipated that interest receivable on projected surplus balances will be approx. £4,700 in 2026/27, based on the most recent full year income figures (24/25) and the current outlook for interest rates.
- 7.6 **Property Costs**
The budget includes £12,200 to cover part of the Wick Town Hall property costs, while not putting the Fund in deficit. The remainder will be covered by the Council's General Fund.
- 7.7 **Staff costs**
Staff costs comprise the Wick Common Good Fund contribution towards the costs of the Council's Common Good Officer. All Common Good funds contribute to these costs. £2,500 budget is the expected expenditure based on previous contributions less the additional expenditure on the oversail consultation.
- 7.8 **Car Parking costs**
£2,500 is budgeted for operating the Wick Common Good Invitation-to-Pay car parks and is based on previous expenditure. The budget covers financial transaction, staffing and maintenance costs. Where Invitation-to-Pay schemes are on Common Good owned car parks, all the income is received by the relevant common good fund, which is then charged for the associated costs.
- 7.9 **Miscellaneous Costs**
The budget of £6,800 relates principally to property maintenance costs but also includes legal and other professional costs when these are required, for example relating to rent reviews. Since April 2020 the Council's Estates Team has charged for staff time spent on Common Good issues. This is to reflect the additional time staff spend on the renegotiation of leases, rent reviews and community consultations.
- 7.10 **Fund Balance**
Members are asked to note that the proposed budget will lead to a balanced budget. Usable Reserves will be maintained at £124,160 on 31 March 2027.
- 8 Common Good Update**
- 8.1 **Future Strategy for Common Good Reserves**
It had been previously agreed that a strategy be developed to maximise income and reserves for Wick Common Good Fund. This could include, for example, future uses of the Town Hall as an events destination for social gatherings (weddings etc.) and encouraging letting use of the office space and anterooms. In principle, any strategy should include building reserves to allow the fund to maintain its own assets, without drawing on the General Fund. Once reserves had reached acceptable levels, if there was additional income, there could be scope for Members to consider the provision of a community grant stream. A proposal for how to progress this, will come forward to a future committee.

8.2 **Wick Town Hall**

The Council is continuing to market offices in the Town Hall; a prospective tenant has been in discussion for two office spaces. The remaining office is still vacant and is being marketed.

8.3 **Royal Burgh of Wick Community Council**

The initial meeting of the Common Good Subgroup of the Community Council took place in August 2025 to work with Highland Council. Members will be updated as discussions progress, we are awaiting notification of the next meeting date.

8.4 **Oversail of Wick Common Good land at Station Road, Wick**

The Council has been in negotiations with two separate windfarm developers regarding the oversail of Common Good land required for the transport of windfarm components. Members will recall that on 27 June 2024 Highland Council agreed the lease of ribbons of land for oversail at Wick Riverside Park, following public consultation and a recommendation from Caithness Committee (20 May 2024). These agreements are now concluded and payments totalling £67,884 have been received.

8.5 **Common Good Working Group**

The Common Good Officer continues to work with a cross-service group in developing a Highland Council Common Good Policy to inform and guide the management of all Highland Common Good Funds, including the management of reserves. The policy will also address the challenges faced by newly identified Common Good Funds (such as Wick Common Good Fund) which have not had the opportunity to build reserves to an appropriate level to cover in-year costs and ongoing liabilities.

This policy, being Highland-wide, will require approval at full Council or strategic committee and once agreed, will inform the Wick Common Good Reserve Strategy. Members will be updated in due course.

Designation: Assistant Chief Executive - Place

Date: 7 January 2026

Author: Cai MacIver, Community Development Manager
Jennifer Johnston, Accountant

Background Papers: None

Appendices: Appendix 1 - Wick Common Good Fund – Statement of Account 2023/24
Appendix 2 - Wick Common Good Fund – Final Monitoring 2023/24
Appendix 3 - Wick Common Good Fund – Quarterly Monitoring to December 2024 (2024/25 Q3)
Appendix 4 - Wick Common Good Fund – Proposed Budget 2025/26

Appendix 1

STATEMENT OF ACCOUNTS 2024-25

Wick Common Good Fund

Income and Expenditure Account

	2024/25	2023/24
	£	£
<u>Expenditure</u>		
Staff costs	2,448	4,118
Property costs	1,189	-
Administration costs	3,331	300
Grants and contributions	-	-
Other costs	348	4,550
Total expenditure	7,317	8,968
<u>Income</u>		
Rents	9,783	7,700
Miscellaneous income	47,745	8,930
Interest and investment income	2,277	1,727
Total income	59,805	18,357
Surplus/(deficit) for the year	52,489	9,389
Revaluation gains/(losses)	191,704	-
Total comprehensive income and expenditure	244,193	9,389

Balance Sheet

	31/03/2025	31/03/2024
	£	£
<u>Non current assets</u>		
Investment Properties	425,350	425,350
Heritage assets	243,369	51,665
	668,719	477,015
<u>Current assets</u>		
Loans fund deposits	89,384	37,920
Sundry Debtors	1,026	-
	90,410	37,920
<u>Current Liability</u>		
Other Creditors	(1,350)	(1,350)
Total assets	757,778	513,585
Revenue funds	89,059	36,570
Capital funds	425,350	425,350
Revaluation reserve	243,369	51,665
Total reserves	757,778	513,585

Appendix 2

Wick Common Good - Quarterly Monitoring Period to Mar 25

	Actual £	Revised Budget £	Variance £
INCOME			
Rents	9,783	7,700	2,083
Lettings	-	700	(700)
Miscellaneous income Car Parking	9,861	10,000	(139)
Legal Fees Recovery	37,884	-	37,884
Interest and investment income	<u>2,277</u>	<u>850</u>	<u>1,427</u>
TOTAL INCOME	<u>59,805</u>	<u>19,250</u>	<u>40,555</u>
EXPENDITURE			
Property costs	1,189	13,350	(12,161)
Staff Costs	2,448	2,000	448
Grants & contributions	-	-	-
Car parking costs	2,934	2,500	434
Central support charges	397	-	397
Miscellaneous Costs	<u>348</u>	<u>1,400</u>	<u>(1,052)</u>
TOTAL EXPENDITURE	<u>7,317</u>	<u>19,250</u>	<u>(11,933)</u>
Income less Expenditure	<u><u>52,489</u></u>	<u><u>-</u></u>	<u><u>52,489</u></u>
Usable Reserves			
As at 31.3.24	36,571		
Surplus/(deficit) for year	<u>52,489</u>		
As at 31.3.25	<u>89,060</u>		

Appendix 3

Wick Common Good Period to December 25

	Actual £	Budget £	Estimated Outturn £	Variance £
Income				
Rents	4,309	11,200	11,200	-
Lettings	-	700	700	-
Miscellaneous income Car Parking	7,739	8,500	8,500	-
Interest and investment income	-	1,200	4,800	3,600
Contributions - Private Sector	30,000	-	30,000	30,000
Total Income	42,048	21,600	55,200	33,600
Expenditure				
Property costs	293	12,200	12,200	-
Staff Costs	549	2,500	1,000	(1,500)
Car parking costs	-	2,500	2,500	-
Miscellaneous Costs	295	4,400	4,400	-
Total Expenditure	1,137	21,600	20,100	(1,500)
Income less Expenditure Surplus (Deficit)	40,911	-	35,100	35,100

Revenue reserves 2024/25	89,060
Estimated outturn for 25/26	35,100
Estimated revenue reserves 2025/26	124,160

**Wick Common Good Fund
Budget 2026/27**

	Draft Budget 2026/27 £
<u>Income</u>	
Rents	10,000
Lettings	700
Invitation to Pay	9,000
Interest and investment income	4,700
Total Income	24,400
<u>Expenditure</u>	
Property costs	12,200
Staff Costs	2,500
Car parking costs	2,500
Miscellaneous Costs	6,800
Central Support	400
Total Expenditure	24,400
Surplus/(deficit) for the year	0
Estimated Revenue Reserves 2025/26	124,160
Budget surplus/(deficit) for 26/27	0
Forecast year end reserves 2026/27	124,160