

Agenda Item	10
Report No	SCC/08/26

The Highland Council

Committee: Sutherland County

Date: 16 February 2026

Report Title: Dornoch Common Good Fund – 2024/25 Annual Accounts and Final Monitoring, 2025/26 Q3 Monitoring Report and 2026/27 Proposed Budget

Report By: Assistant Chief Executive - Place

1 Purpose/Executive Summary

- 1.1 This report presents the Dornoch 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 as of 31 December 2025 for Q3 and the projected year end position for 2025/26.
- 1.3 The report further sets out the proposed revenue budget for the Fund for the financial year 2026/27.

2 Recommendations

- 2.1 Members are asked to:-
 - i. **Consider** and **agree** the Dornoch Common Good Fund Statement of Accounts as set out in **Appendix 2** and Q4 monitoring report for 2024/25 as set out in **Appendix 3**;
 - ii. **Scrutinise** and **note** the position of the Dornoch Common Good Fund as shown in the 2025/26 Q3 monitoring statement as set out in **Appendix 4**;
 - iii. **Approve** the proposed budget for 2026/27 as set out in **Appendix 5**; and
 - iv. **Delegate** authority to the Community Development Manager to approve Dornoch Common Good grants up to £10,000, within the annually set budget and following consultation with Ward 4 Members.

3 Implications

3.1 Resource

The statement of accounts and final monitoring report show Dornoch Common Good Fund revenue returned a revenue surplus of £82,890 in 2024/25. The projected outturn for the current year 2025/26 shows a surplus of £22,235.

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. The Common Good Fund figures

appear in Highland Council accounts and have been audited with no significant issues to report.

3.3 Risk

As agreed by Sutherland County Committee on 1 December 2025, the 2025/26 budget drew on reserves to support a significant community led project led by DADCA to develop a new community centre for the town. It is important to protect reserves to cover liabilities falling to the fund and the proposed budget for 2026/27 provides a surplus to help restore usable reserve levels.

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 28 January 2026. The conclusions have been subject to the relevant Manager Review and Approval.

4.3.2 The Screening process has concluded that there are potential positive impacts as a result of the 2026/27 proposed budget. In particular, the grants and contributions fund provides opportunity for community organisations to apply for funding to deliver community led projects. Members are asked to consider the summary in **Appendix 1** to support the decision making process.

Impact Assessment Area	Conclusion of Screening/Full Assessment
Equality	<ul style="list-style-type: none"> • Children and Young People – Positive • Children affected by disability – Positive • Older adults – Positive
Socio-economic	Positive
Human Rights	No impact
Children’s Rights and Well-being	No impact
Island and Mainland Rural	No impact
Climate Change	Positive
Data Rights	No impact

5 2024/25 Statement of Accounts and Final Monitoring

5.1 **Appendix 2** of the report shows the Income and Expenditure Account and Balance Sheet in respect of the Dornoch Common Good Fund for the financial year 2024/25. **Appendix 3** sets out the 2024/25 final monitoring which shows the income and expenditure for the year against the budget, whereas **Appendix 2** shows prior year comparatives.

5.2 Income

- Rental income for the year was £105,022 which was higher than budgeted due to backdated rent following rent reviews.
- Invitation to Pay Income was £3,270.
- The income from interest was higher than the budget reflecting the high interest rates which applied during this period.

5.3 Expenditure

- Staff costs were £3,115 against a budget of £3,000 which cover the contribution to the Common Good Officer and Central Support Costs.
- Misc. Property costs were £6,008 and included insurance, legal fees and costs related to invitation to pay car park.
- Grants and Contributions totalled £30,428, details of the grants can be seen in **Appendix 3**.
- There were no costs incurred on Dornoch Beach Car Park repairs, but these are expected in 2026/27.
- No costs were incurred on the Dornoch Burn project following the decision not to proceed with any works, as reported to Sutherland County Committee on 12 November 2024.

5.4 Balance

Members will note that the fund delivered a surplus of £82,890 increasing usable reserves to £318,521 at 24/25 year-end. This is due to additional income and underspends against several budget lines.

5.5 Changes to Leases in 2024/25

There were no changes to leases in this period.

5.6 Disposal and Acquisitions

There were no disposals or acquisitions within this period.

5.7 Revaluation Gains

There were no revaluation gains in 2024/25.

5.8 Reserves

The total reserves of £1,428,329 on 31 March 2025 are made up of £318,521 revenue funds, £1,087,558 capital funds and £22,250 revaluation reserves.

6 2025/26 Quarter Three Monitoring Report

6.1 **Appendix 4** of this report shows the position of the Dornoch Common Good Fund at the end of Quarter Three of the current financial year (2025/26), reported against the 2025/26 budget agreed by Sutherland County Committee on 17 February 2025 and subsequently revised on 2 June 2025.

6.2 Expenditure

Property Costs - a new path at Dornoch Aerodrome has been completed in this Quarter, but the costs are not yet reflected in the budget. Otherwise, there has been minimal expenditure limited to a contribution to the costs of the Common Good Officer and title checks.

6.3 Grants and Contributions

At the Sutherland County Committee meeting on 1 December 2025, Members agreed to vary the expenditure against the 2025/26 Grants and Contributions budget line from £60,000 to £75,000. The additional £15,000 to cover the variance was made available by deferring the Dornoch Beach Car Park project to 2026/27.

To date, £56,916 has been awarded to community-led projects (see **Appendix 4**), with a further £10,951 committed and scheduled for reporting in the next quarter. At the same meeting, the Members also approved a £280,000 grant to the Dornoch and District Community Association to support the development of a new community centre for the town. This award was funded through the use of reserves and will be drawn down once match funding and relevant permissions have been secured.

6.4 A surplus of £22,235 is anticipated on the fund at year end.

Proposed Budget for 2026/27

7.1 The proposed budget for 2026/27 is outlined in **Appendix 5**

7.2 Rental Income

A total rental income of £101,235 is anticipated which is made up from the following properties:-

- Dornoch Caravan and Camping Park,
- Dornoch Pumping Station/Water Treatment Works,
- Dornoch Firth Salmon Netting Rights,
- Dornoch Golf Courses (part),
- Hangar at Dornoch Airfield,
- Sutherland Agricultural Society Shed,
- Coastguard Station,
- Highland Larder, Dornoch Beach,
- Land at Well Street.

7.3 Invitation to Pay Income

The estimated income to Dornoch Common Good is £3,500, based on income earned in the current year.

7.4 Interest on Revenue Balances

It is anticipated that interest receivable on projected surplus balances will be approx. £12,000 in 2026/27, based on anticipated interest paid in 2025/26 and the current outlook for interest rates.

7.5 Staff Costs

Staff costs comprise the Dornoch Common Good Fund contribution towards the costs of the Council's Common Good Officer. All Common Good funds contribute to these costs. The £3,000 budget covers the expected expenditure in 2026/27 based on actual expenditure for 2024/25.

7.6 **Grants and Contributions**

The Grants and Contributions budget is proposed to return to £35,000. Members will recall that additional and exceptional community led projects were supported from this budget line in 2025/26 leading to additional significant expenditure, as agreed by Committee. Members will also recall the allocation of £280,000 to DADCA for the new community centre, which will draw on reserves. Setting the grants and contributions budget at £35,000 will support the rebuilding of reserves. During the budget-setting process, the Dornoch Area Community Council was invited to comment.

7.7 **Dornoch Beach Car Park**

The works required at Dornoch Beach Car Park, which were previously deferred by Committee on 1 December, have now been reinstated within the 2026/27 budget.

7.8 **Miscellaneous Property Costs**

£15,000 is proposed. This relates principally to property costs (usually relating to repair and maintenance of footpaths, benches, fences etc. around the beach car park, on the links and Dornoch Burn).

7.9 **Miscellaneous Other Costs - Invitation to Pay**

Based on the cost in 2024/25 the budget allocates £1,750 to cover costs associated with Invitation to Pay car park at Dornoch Beach.

7.10 **Central Support Costs**

Central support costs include support from finance, legal and other professional costs. £850 is allocated to cover a contribution to costs associated with the fund.

7.11 **Fund Balance**

Members are asked to note that the proposed budget will lead to a surplus of £36,135 before the allocation to Projects (DADCA Community Centre). When the ringfenced allocation of £280,000 is taken into account, the estimated forecast of usable reserves at year end 26/27 is £96,890.

8 Approvals for Common Good Fund Expenditure

8.1 Members will note that different Common Good Funds in Highland have developed slightly different arrangements for the approval of grants and other expenditure. In the case of Dornoch Common Good Fund, in recent years an annual grants budget has been agreed and the practice has been to follow a similar methodology to that for Ward Discretionary Budget expenditure, that is: Officers approve common good grants and expenditure up to £10,000 against the annual budget (agreed at Committee) and in consultation with Ward Members. Dornoch Area Community Council is also invited to comment on grant applications, and feedback is reported to Members. The arrangements require to be reviewed as part of the annual budget setting process.

8.2 It is recommended that Sutherland County Committee agrees to delegate to the Community Development Manager power to approve expenditure up to £10,000 in relation to Dornoch Common Good within the annually set budget and following consultation with relevant Ward Members. This will be in relation to grants and contributions and other expenditure as per the budget, see **Appendix 5**. This delegated power will be reviewed annually as part of the budget setting process.

Designation: Assistant Chief Executive - Place

Date: 29 January 2026

Author: Fiona Richardson, Community Development Manager
Jennifer Johnston, Account

Background Papers: None

Appendices: Appendix 1 – Impact Assessment Summary Statement
Appendix 2 – Dornoch CGF Statement of Accounts 24/25
Appendix 3 – Q4 Monitoring Statement 24/24
Appendix 4 – Q3 Monitoring Statement 25/26
Appendix 5 – Draft Dornoch CGF Budget 26/27

Integrated Impact Assessment – Summary Statement

The Impact Assessment Screening process has concluded that there is potential for positive impacts.

The 2026/27 proposed budget includes the Grants and Contributions Fund allocating £35,000 towards community led projects. This enables opportunities for community organisations to apply for funding for projects and activities which support positive outcomes for the Dornoch Community.

In previous years, funding has been allocated to a range of initiatives including activities which support positive outcomes for children and young people, disabled people and older adults. The grants fund also has the potential to support community led climate action projects which mitigate the effects of climate change.

Appendix 2

STATEMENT OF ACCOUNTS 2024-25

Dornoch Common Good Fund

Income and Expenditure Account

	2024/25	2023/24
	£	£
<u>Expenditure</u>		
Staff costs	2,321	1,241
Property costs	5,554	23,426
Administration costs	794	600
Grants and contributions	30,428	120,236
Other costs	453	
Total expenditure	39,550	145,503
<u>Income</u>		
Rents	105,022	79,560
Miscellaneous income	3,270	3,207
Interest and investment income	14,149	11,280
Total income	122,440	94,047
Surplus/(deficit) for the year	82,890	(51,456)
Revaluation gains/(losses)	-	-
Total comprehensive income and expenditure	82,890	(51,456)

	31/03/2025	31/03/2024
	£	£
Balance Sheet		
<u>Non-current assets</u>		
Investment Properties	1,087,558	1,087,558
Heritage assets	22,250	22,250
	1,109,808	1,109,808
<u>Current assets</u>		
Loans fund deposits	317,718	235,630
Sundry Debtors	803	-
	318,521	235,630
<u>Current Liability</u>		
Other Creditors	-	-
Total assets	1,428,329	1,345,439
Revenue funds	318,521	235,630
Capital funds	1,087,558	1,087,558
Revaluation reserve	22,250	22,250
Total reserves	1,428,329	1,345,439

Appendix 3

Dornoch Common Good - Quarterly Monitoring Period to Mar 25

	Actual £	Annual Budget	Variance £
INCOME			
Rents	105,022	100,757	4,265
Invitation to pay income	3,270	4,500	(1,230)
Interest and investment income	14,149	4,800	9,349
TOTAL INCOME	<u>122,440</u>	<u>110,057</u>	<u>12,383</u>
EXPENDITURE			
Staff Costs	3,115	3,000	115
Grants & contributions	30,428	25,000	
Miscellaneous Property costs	6,007	15,000	
Dornoch Beach Car Parks	-	25,000	(25,000)
Contribution to works at Dornoch Burn	-	10,000	(10,000)
TOTAL EXPENDITURE	<u>39,550</u>	<u>78,000</u>	<u>(34,885)</u>
Income less Expenditure	<u><u>82,890</u></u>	<u><u>32,057</u></u>	<u><u>47,268</u></u>
Usable Reserves			
As at 31.3.24	235,630		
Surplus/(deficit) for year	82,890		
As at 31.3.25	<u>318,521</u>		

Grants and Contributions 2024/25 to 31 March 2025	Project	Award (£)
Dornoch Trust	Operation of Dornoch Beach Toilets	2,488.00
Dornoch Cathedral	Cathedral Tower project	5,201.12
Dornoch Cricket Club	Cricket wicket and practice nets	4,500.00
Dornoch Bowling Club	Bowling green recovery	1,190.00
Dornoch Trust	Essential woodland maintenance	3,150.00
Dornoch BID	Website development	7,074.00
DADCA	Dornoch Hogmanay Street Party 2024	3,575.00
Dornoch Heritage Society	Historylinks Heritage Hub – Phase 5	3,250.00
Total		30,428.12

Appendix 4

Dornoch Common Good Fund Period to December 25

	Actual £	Revised Budget £	Estimated Outturn £	Variance £
Income				
Rents	50,135	101,235	101,235	0
Invitation to pay income	2,463	3,500	3,500	0
Interest and investment income	0	4,800	11,500	6,700
Total Income	52,598	109,535	116,235	6,700
Expenditure				
Staff Costs	606	3,000	3,000	0
Grants & contributions	56,916	60,000	75,000	15,000
Miscellaneous Property costs	40	15,000	15,000	0
Miscellaneous Other costs	0	1,000	1,000	0
Dornoch Beach Car Parks	0	25,000	0	(25,000)
Total Expenditure	57,562	104,000	94,000	(10,000)
Income less Expenditure Surplus (Deficit)	(4,965)	5,535	22,235	16,700
Revenue reserves 2024/25		318,520		
Estimated outturn for 25/26		22,235		
Estimated revenue reserves 25/26		340,755		

Grants and Contributions 25/26 to 31 Dec 2025 (Q3)	Project	Award (£)
Friends of Sutherland veterans	VE & VJ Day Celebrations	1,500.00
Flowers & Fair	Spring/Summer Floral Display	1,000.00
Dornoch BID	Discover Dornoch Project	4,066.75
Dornoch Beach Wheelchairs	Playpark Surface 1 st of 2	4,800.00
Dornoch Heritage SCIO	Historylinks Trails	969.00
East Sutherland Rescue Association	Concrete Apron & Firefighting Equipment	24,688.00
The Dornoch Trust	Emergency Works at Earl's Cross Woods	9,000.00
Dornoch Area CIC	Transport Project	4,242.00
Dornoch Area CIC	Sports Centre Feasibility Study	6,650.00
Total		56,915.75

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

Appendix 5

**Draft
Budget
2026/27
£**

Income

Rents	101,235
Invitation to pay income	3,500
Interest and investment income	12,000
Total Income	116,735

Expenditure

Staff costs	3,000
Property costs	15,000
Miscellaneous Other costs	1,750
Grants & contributions	35,000
Dornoch Beach Car Parks	25,000
Central Support	850
Total Expenditure	80,600

Surplus/(deficit) for the year before projects **36,135**

Projects

DADCA Community Centre 280,000

Surplus/(deficit) for the year after projects **(243,865)**

Estimated Revenue Reserves 2025/26 **340,755**

Budget surplus/(deficit) for 26/27 **(243,865)**

Forecast year end reserves 2026/27 **96,890**