



Nairn West Community Council

Chair: Rosemary Young OBE
Inveran Lodge
Seafield Street
Nairn IV12 4HG

26 November 2014

Steve Barron Esq
Chief Executive
Highland Council
Glenurquhart Road
Inverness IV3 5NX

(sent by email)

Dear Mr Barron

NAIRN COMMON GOOD FUND

Considerable publicity has been given to the Council's recent investigation and report into the management of the Nairn Common Good Fund. This has prompted extensive comment and reaction in the press, online, and in the local community.

The Council's acceptance of responsibility for the failures, and the decision to refund the CGF for the "loss" incurred as a result of Council negligence over the Parkdean lease, are very welcome. The Internal Audit and Finance Service are to be commended for – finally – scrutinising this long-running problem so thoroughly.

This is not the first or only instance of administrative negligence over Nairn's Common Good: there were similar issues over some of the costs incurred in relation to Sandown. It is regrettable that the substantial rental shortfall under the Parkdean lease has not been recovered from the tenants, but has been borne by local council-taxpayers at a time when budgets are already under severe pressure.

We regard it as crucial that appropriate action be taken to ensure that similar failures cannot happen again. On 30 October the Council "noted" that a management review was being undertaken and that the Nairn CGF was now under the direction of the Finance Service and the Inverness City Manager.

Our colleague Dick Youngson, the Chair of Nairn Suburban CC, has already written suggesting that a new framework needs to be put in place for management of the Nairn Common Good. We strongly support this recommendation. The precise membership and terms of reference are for negotiation. But we wish formally to request that the review and the future management arrangements include provision for (a) full public transparency of all discussion and decision-making on the Nairn CGF; and (b) direct involvement of local community representatives (Community Councillors, local elected Members and others) in the management of the Nairn Common Good.

We regard this as crucial. It has been our view for a number of years that the past and current arrangements have not been fit for purpose. Our repeated representations have however been ignored or dismissed. Between 2008 and 2010, in the wake of the previous critical audit report on Highland Council management of Common Good assets, we expressed serious concerns about the adequacy of the policy guidance that was then being proposed by officials. The details were set out in a letter to Councillor Laurie Fraser dated 16 June 2010 following discussion with him at a CC meeting. **That letter was ignored: no acknowledgment and as far as we know, no action.**

In 2011 and 2012, following further local discussion and disquiet over CG management in the wake of revelations about decisions made in connection with the Sandown lands, we sought to raise the issue at Ward Forums. We were rebuffed by the then Chair. After further pressure a separate meeting was eventually arranged in early March 2012 between CC members and Council officials. The then Corporate Manager asserted that the CG was being properly managed, dismissed questions, and ruled out any greater local consultation or involvement. Indeed the explicit message was that if the local community was not satisfied with the way in which the Council managed CG funds and assets, then the only option open was to take legal action against the Council! This suggestion was as bizarre as it was unrealistic, but it appeared to illustrate the determination of Council officials not to allow any scrutiny of the arrangements for CG management.

Nevertheless, the Convener (in the Chair) concluded that *“a positive way forward would be for the four new Members elected in May to meet with a representative from each of the three Nairn Community Councils on a regular basis [to discuss the subject of management of the Common Good]”*. **No such meeting has ever happened or even been proposed.**

Later in 2012, following press reports that Parkdean were seeking to lease additional Common Good land, the three Nairn CCs wrote formally to the outgoing and incoming local elected members requesting implementation of the commitment to have meetings. We referred specifically to the question of consultation about the terms of the Parkdean lease. Apart from a courtesy acknowledgment from one outgoing Councillor (who incidentally supported the idea of consultative meetings) **there was no response and no action.**

We take no satisfaction now from saying “We told you so”. But if officials and elected Council Members had responded in a more pro-active, positive and forthcoming way to the Community Council approaches, then some, at least, of the deficiencies which have now finally been admitted by the Council would have been identified and addressed earlier.

We believe that this evidence of community engagement is relevant to the Audit investigation, and we can provide copies of relevant documents to the auditors if requested. It also reinforces the compelling case for greater transparency and proper local consultation. There are other aspects of Nairn CG management (notably the issue of income and expenditure on fishing-rights, which has recently been discussed publicly, and the still-contentious matter of Sandown-related costs) which remain to be reviewed and examined.

Like the Council, we think that it is vital to look to the future and to learn the lessons from the investigation report. Disciplinary action is a matter for the Council. We make no comment on that, save to observe that accountability and responsibility are fundamental to good governance and to the Council's credibility and integrity.

As for the new arrangements, we recognise and accept that the Council's Finance Service should exercise close oversight of the processes of managing and accounting for the Common Good, given the Council's responsibility as trustees. The Inverness City Manager may have useful advice to offer (drawing on the experience derived from running Inverness CGF). The Local Area Committee of Nairn and Badenoch/Strathspey Councillors can reasonably expect to be kept informed about CG matters. But this is not enough. The audit report demonstrates how officials simply ignored or failed to respond to the queries and directions of elected Councillors. We cannot be entirely confident that the Local Area Committee will be more effective in scrutinising and directing policy.

Hence our firm support for the establishment of a new framework and for more effective policy guidance and oversight which involves the local community – through both elected Members and Community Councils, and other relevant local representatives eg from the business community.

The Audit investigation and follow-up review makes reform obligatory. It also offers an opportunity to put CG management on to a sound, transparent and accountable basis. We are ready to play a full and constructive part in devising this new framework and in engaging responsibly within it. We should be grateful if you would regard this as a formal request, and look forward to your considered reply.

This letter is copied to colleagues in Nairn River and Suburban CCs, to our four local elected Councillors, and to Mr Nigel Rose, Head of Audit. In keeping with the principle of transparency and openness, we are also making this letter available publicly.

Yours sincerely

Brian Stewart

B E Stewart

Secretary, Nairn West CC

cc: (all by email)

Tommy Hogg, Chair, Nairn River CC
John Mackie for Dick Youngson, Chair, Nairn Suburban CC
Cllr Laurie Fraser
Cllr Michael Green
Cllr Colin Macaulay
Cllr Liz Macdonald
Mr Nigel Rose, Head of Audit, Highland Council