
Monitoring Report for 6 Months to end September 2012

Report by the Chief Financial Officer

Hawick Common Good Sub Committee

20 November 2012

1 PURPOSE AND SUMMARY

1.1 **This report sets out details of transactions for the 6 months to 30 September 2012 and projections of the annual outturn with variances from the final budget, with resultant requested budget virements and the projected effect on Revenue and Capital Reserves at 31 March 2013.**

1.2 Expenditure is projected to be significantly below the approved budget by £52,846 due to revision to the Pilmuir Cottage renovation budget and the slippage of the replacement shed at Pilmuir into next financial year. Income is projected to exceed budget by £1,352 due to improved interest rates and rental income projections. Appendix 1 is being developed and shows key information on the performance and activities of the Common Good Fund.

2 RECOMMENDATIONS

2.1 **It is recommended that the Common Good Sub Committee approves:-**

(a) the financial performance for 2012/13 as shown in Appendix 2

(b) the virements set out in Appendix 6

and notes:-

(c) the key figures shown in Appendix 1

(d) the Grants Analysis provided in Appendix 3

(e) the projected balances on Revenue and Capital Reserves as shown in Appendix 4

(f) the performance of the Property Portfolio as shown in Appendix 5.

3 PROJECTED OUTTURN 2012/13

- 3.1 Appendix 1 is being developed and brings together key financial data on the Revenue performance and Balance Sheet situation for 2012/13.
- 3.2 Appendices 2 to 6 provide details on the Revenue budget in an expended form, Grants paid and payable, Revenue and Capital reserves, the performance of the Property Portfolio and proposed budget virements.
- 3.3 It is not now anticipated that work on a replacement shed will start at Pilmuir farm unto the spring of 2013 due to current use of the existing shed, so some £35,000 of budget is not required until 2013/14. Approval of a virement to take account of this is sought in Appendix 6.
- 3.4 With the completion of work at Pilmuir Cottage, final accounts are nearing completion and at this stage it is felt that the budget for this year can be reduced to £20,000. Approval to put this into effect is also looked for in Appendix 6.
- 3.5 Increased alternative use of the Common Haugh car park and a revision of the projected income from the market lead to an expectation of higher than budgeted rental income of £1,159.
- 3.6 Projected income from interest on balances invested in the Council's Loan Fund is £160 greater than budgeted since the capital balance is currently earning 1.25% whilst the budget was initially set using a rate of 0.475%. Interest is not credited until the end of the year and therefore the amount is dependent on interest rates over the remainder of the year
- 3.7 Taking all of the above into consideration the Common Good Fund is projecting total expenditure of £144,194 and income of £106,596 supplemented by a draw down of £35,853 from the Revaluation Reserve, resulting in a projected outturn net expenditure of £1,745. This is £54,198 lower than the current budget of £55,943.

4 REVENUE & CAPITAL RESERVES

- 4.1 Appendix 4 shows the effect on accumulated reserves of the projected outturn for 2012/13.

5 IMPLICATIONS

5.1 Financial

There are no financial implications, other than those explained above in Sections 3 and 4.

5.2 Risk and Mitigations

No significant risk to the financial position of the fund is identified.

5.3 Equalities

It is anticipated that there are no adverse equality implications arising from the proposals contained in this report.

5.4 Acting Sustainably

Whilst there are no economic, social or environmental effects arising from the proposals contained in this report, there are, through the activities reported upon, positive impacts upon the economy through protection of employment, positive impacts upon the quality of community life, improvements in local amenities and nurturing of local talent.

5.5 Changes to Scheme of Administration or Scheme of Delegation

There are no changes required to the Scheme of Administration or Scheme of delegation arising from the proposals contained in this report.

6 CONSULTATION

- 6.1 The Head of Legal and Democratic Services, the Head of Audit and Risk and the Clerk to the Council have been consulted and their appropriate comments have been incorporated into this report.

Approved by

David Robertson - Chief Financial Officer

Signature

Author(s)

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Background Papers:

Previous Minute Reference:

Note – You can get this document on tape, in Braille, large print and various computer formats by contacting the address below. Andrew Mitchell can also give information on other language translations as well as providing additional copies.

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Key Figures

Based upon data to 30.9.12

	£	£
Projected Outturn:		
Property Rental Income		95,339
Less Expenditure on property		-41,000
Net Income		54,339
Add other income sources:-		
Miscellaneous		33
Interest on Capital & Revenue Loans Funds with SBC		1,960
Investment Income		3,700
		60,032
Less Expenditure on running costs:-		
Administration	-500	
Net Central Support Service Costs	-5,277	
		-5,777
Excess of Income over running costs		54,255
Less Expenditure other than running costs:-		
Grants & Donations made to local bodies		-33,000
Cost in current year of Pilmuir Cottage restoration		-20,000
Cost of replacement shed at Pilmuir		-3,000
Projected Funding required from Reserves		1,745

Projected Revenue Reserve		
Revenue Reserve at start of year		255,461
Less Projected funding required for Revenue Expenditure above		-1,745
Projected Revenue Reserve at end of year		253,716

Grants & Donations		
Total Grants budget for the year		33,000
Prior Year Grants	-19,338	
Grants approved in 2012/13 to date	-4,850	
		-24,188
Remaining budget available for Grants in the rest of the year		8,812

Investments & Loans		
Investments externally managed		144,794
Revenue in SBC Loans Funds		
Funds invested in SBC Revenue Loans Fund at start of current year		272,564
Capital in SBC Loans Funds		
Funds invested in SBC Capital Loans Fund at start of current year		53,290
Movement in this fund in the year to date		0

Effect of inflation on the value of the Funds invested in the SBC Capital Loans Fund		
RPI March 2011 to March 2012	3.57%	
Transfer from revenue required to retain buying power of this investment		1,902

**SCOTTISH BORDERS COUNCIL
HAWICK COMMON GOOD FUND
REVENUE BUDGET MONITORING 2012/13**

Appendix 2

Description	Current Budget for the year to 31.3.12	Actual Transactions to 30.9.12	Over spend to date against full year budget	Under spend to date against full year budget	Projected Outturn for year to 31.3.13	Projected over spend for year against full year budget	Projected under spend for year against full year budget
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	£	£	£	£	£	£	£
Expenditure							
Property costs	41,000	19,779		21,221	41,000	0	
Property Renovation Pilmuir Cottage	37,846	16,604		21,242	20,000		17,846
Property Renovation Pilmuir Farm	38,000	0		38,000	3,000		35,000
Central Support Services Recharges	10,841	0		10,841	10,841	0	
Administration	500	30		470	500	0	
Depreciation	35,853	0		35,853	35,853	0	
Donations and contributions	33,000	21,597		11,403	33,000	0	
Total Expenditure	197,040	58,010	0	139,030	144,194	0	52,846

Description	Current Budget for the year to 31.3.12	Actual Transactions to 30.9.12	Under generation of income to date against full year budget	Over generation of income to date against full year budget	Projected Outturn for year to 31.3.13	Projected under generation of income for year against full year budget	Projected over generation of income for year against full year budget
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	£	£	£	£	£	£	£
Income							
Rents etc	94,180	77,551	16,629		95,339		1,159
Interest received	1,800	0	1,800		1,960		160
Dividend income	3,700	0	3,700		3,700		0
Other Income	0	33		33	33		33
Central Support Services support grant	5,564	0	5,564		5,564		0
	105,244	77,584	27,693	33	106,596	0	1,352
Funding from Fixed Asset Restatement Reserve	35,853	0	35,853		35,853		0
Total Income	141,097	77,584	63,546	33	142,449	0	1,352

Net Expenditure Totals	55,943	-19,574			1,745		
Net expenditure over spend & under generation of Income							
Net expenditure under spend & income over generation				75,517			54,198

**SCOTTISH BORDERS COUNCIL
HAWICK COMMON GOOD FUND
DONATIONS AND CONTRIBUTIONS PAID AND APPROVED 2012/13**

Appendix 3

	Date	£	£	£
	Approved			
Approved Budget				33,000
Paid as at 30 September 2012				
Hawick Reivers Assoc. Festival support - hall hire	20.3.12	500		
Volunteer Park Sports Club Contribution to new boiler for clubhouse	20.3.12	4,500		
Hawick Welcome Initiative support re Hosts operation	20.3.12	4,000		
Burnfoot Community Futures Hire of 2 Portaloos - Easter Funday	20.3.12	132		
Burnfoot Community Council Burnfoot Carnival support	20.3.12	2,000		
Future Hawick Support for Empty shop frontage pilot scheme	20.3.12	2,750		
Salvation Army Town Hall hire for Carol Service Christmas 2011	20.3.12	240		
Salvation Army Town Hall hire reduction	20.3.12	-75		
Hawick & District Railway Socy Model Railway Show Hall hire	19.6.12	550		
Hawick Honorary Provost's Council	19.6.12	2,000		
Hawick Community Council - Bill McLaren Memorial Project (Bust)	15.3.11	3,000		
Hawick Community Council - Bill McLaren Memorial Project (Bust)	19.6.12	2,000		
Total paid as at 30 September 2012			21,597	
Approved but not paid at 30 September 2012				
Volunteer Park Sports Club Contribution to new boiler for clubhouse	20.3.12	500		
Salvation Army Town Hall hire balance approved	20.3.12	75		
Available to be written back as not required		575		
Friends of St Margaret's Pupil swimming	1.4.10	216		
The Ancient Order of Mosstroopers "Horse" restoration fund contribution	20.9.11	1,500		
Connor Telfer Assistance with cycling as member of Scottish squad	18.9.12	300		
Total approved but not paid at 30 September 2012			2,591	
Total paid and approved at 30 September 2012				24,188
Remaining Budget for 2012/13				8,812

SCOTTISH BORDERS COUNCIL

HAWICK COMMON GOOD FUND

PROJECTED RESERVES AS AT 31 MARCH 2013

Appendix 4

Revenue Reserve	£
Balance as at 31 March 2012	255,461
Less Projected net expenditure for 2012/13	-1,745
Projected balance at 31 March 2013	<u>253,716</u>
Capital Reserve	£
Balance as at 31 March 2012	337,601
Projected movement during 2012/13	0
Projected balance at 31 March 2013	<u>337,601</u>

HAWICK COMMON GOOD FUND
Property Portfolio Performance
to end September 2012

Appendix 5

	1.4.12 Book Value	Rental Income		Expenditure to end September 2012									
		Current Budget	Projected Outturn	Repairs	Ground Maint.	Plumbing & Drains	Ins.	Rates Water & Power	Estates & Property Service	Misc	Cottage restoration	Letting Costs	Total
Fixed Assets	£	£	£	£	£		£	£	£			£	£
Hawick Moor Racecourse & Bld	30,325	900	310	5,105	927	1,658		0					7,690
Hut at St Leonards	13,110			1,488				73					1,561
Mill Path Stables	16,400			18				92					110
Bunting For Common Riding										339			339
Sub Total		900	310	6,611	927	1,658	0	165	0	339	0	0	9,700
Common Haugh	328,000	6,700	8,499			15		535					550
Hawick Golf Course	86,500	4,700	4,700										0
Haggis Ha/Burnflat wall													0
Hawick Moor Shootings	3,000		300										0
Lothian St. Stores	16,785	2,550	2,550										0
Nipknowes (Woodend Grazings-East)	850	150	75										0
Nipknowes (Woodend Grazings-West)	850	150	75										0
Pilmuir Farm & Farmhouse	1,047,375	45,000	45,000	2,245									2,245
Pilmuir Farm Cottages	59,000	4,500	4,800					28				547	575
Pilmuir Farm Cottage restoration	0										16,604		16,604
Pilmuir Farm Shootings	0		-300										0
St Leonards Horse Gallop	10,000	750	550										0
St Leonards Cottage & Park	119,487	5,100	5,100										0
St Leonards Farmhouse & buildings	201,860	8,300	8,300			313							313
St Leonards Grazings	200,000	7,315	7,315										0
Williestruther Cottage	111,900	6,250	6,250		200								200
Williestruther Loch	4,500	315	315	538	557								1,095
Under Haugh	0												0
Volunteer Park & Stand	277,700	1,500	1,500	65									65
Moat Park	0												0
Hawick Burgh Woodland	73,000												0
Acreknowe Reservoir	0												0
Ca'Knowe Monument	0												0
Feu Duty Redemptions	18												0

Fixed Assets

100 Stairs and adjacent land
 Property & Estates Service - Time
 Charges
 NFU Subscription (part)
 General
Income & Expenditure Totals
 Book Value of Assets at 1.4.12

1.4.12 Book Value	Rental Income		Expenditure to end September 2012									
	Current Budget	Projected Outturn	Repairs	Ground Maint.	Plumbing & Drains	Ins.	Rates Water & Power	Estates & Property Service	Misc	Cottage restoration	Letting Costs	Total
£	£	£	£	£		£	£	£			£	£
0												0
								2,016				2,016
						3,020						3,020
	94,180	95,339	9,459	1,684	1,986	3,020	728	2,016	339	16,604	547	36,383
2,600,660												

Budget Virement Requirement

1 Virement is required from

Department	Hawick Common Good	2012/13	2013/14	2014/15
Service		£	£	£
Budget Head	Renovation Pilmuir Cottage	-17,846	0	0

To

Department	Hawick Common Good	2012/13	2013/14	2014/15
Service		£	£	£
Budget Head	Revenue Reserve	17,846	0	0

Because

Anticipated final accounts permit a reduction in the projected outturn, which should be reflected in the budget.

2 Virement is required from

Department	Hawick Common Good	2012/13	2013/14	2014/15
Service		£	£	£
Budget Head	Replacement Shed Pilmuir Farm	-35,000	35,000	0

To

Department	Hawick Common Good	2012/13	2013/14	2014/15
Service		£	£	£
Budget Head	Revenue Reserve	35,000	-35,000	0

Because

Due to the current shed use by the tenant, it is not now anticipated that work on the replacement shed will start until Spring 2013. Accordingly the budget provision can be reduced this year & moved to next year.