

SCOTTISH BORDERS COUNCIL
HAWICK COMMON GOOD FUND SUB-COMMITTEE

MINUTE of MEETING of the HAWICK COMMON
 GOOD FUND SUB-COMMITTEE held in the
 Tower Mill, Hawick on 22 August 2013 at 4.00
 p.m.

Present:- Councillors Z. Elliot (Chairman), A. Cranston, S. Marshall, D. Paterson,
 R. Smith; Community Councillor Mr D. Nuttall (Hawick Community Council)
 Mrs A. Knight (Burnfoot Community Council).

Apologies:- Councillor G Turnbull.

In Attendance:- Head of Corporate Governance, Senior Financial Analyst (A. Mitchell), Estates
 Surveyor, Democratic Services Team Leader (L. McGeoch), Democratic
 Services Officer (J. Turnbull).

MEMBERSHIP

1. The Chairman welcomed Mrs Ann Knight as a new member of the Sub-Committee. Mrs Knight represented Burnfoot Community Council.

MINUTES

2. There had been circulated copies of the Minute of the Meeting held on 18 June 2013.

DECISION

APPROVED the Minute for signature by the Chairman.

MEMBER

Councillor Cranston joined the meeting following consideration of the above item.

DECLARATION OF INTEREST

Mrs A. Knight, Burnfoot Community Council, declared an interest in the following item of business in terms of Section 5 of the Councillors Code of Conduct and left the room during the discussion.

REQUESTS FOR FINANCIAL ASSISTANCE
CONNECTING CLASSROOMS GROUP

3. With reference to paragraph 3 of the Minute of 18 June 2013, there had been circulated copies of an application from Connecting Classrooms Group for financial assistance of £1,000.00 towards travel and subsistence costs for five pupils to visit a school in Sierra Leone in October this year. Links with this school had existed since 2007. As requested by the Sub-Committee, the School had sent details of their financial position as at 25 June 2013, however, the Sub-Committee requested more up to date information be submitted for their next meeting, to enable further consideration of the application.

DECISION

AGREED to request further details of the amount of funding now raised.

DRUMLANRIG ST CUTHBERT'S PRIMARY SCHOOL

4. There had been circulated copies of an application from Drumlanrig St Cuthbert's Primary School for financial assistance of £346.50 to provide swimming lessons to the children in Primary 6. The fund would provide a 10 week block of lessons at the end of which the children would have the opportunity to sit the Aquatics Certificate. The school would also be supporting the Teviotdale Leisure Centre by using their facilities and encouraging continued use by the children when their swimming lessons had finished.

DECISION

AGREED to award a grant of £346.50 to Drumlanrig St Cuthbert's Primary School.

HAWICK SALVATION ARMY CHURCH

5. There had been circulated copies of a letter from Hawick Salvation Army Church for financial assistance for the cost of the hire of Hawick Town Hall for the 2013 Christmas Eve Carol Service. The Hawick Common Good Fund had covered the cost of the hall hire in previous years on the basis that all income from the Service was donated to local charities. The cost of the hall had been £172.00 in 2012.

DECISION

AGREED that the cost of hiring Hawick Town Hall be met for the 2013 Christmas Eve Carol Service.

DECLARATION OF INTEREST

Councillors Elliot and Smith declared an interest in the following item of business in terms of Section 5 of the Councillors Code of Conduct and left the room during the discussion. Councillor Marshall took the Chair for the following item.

HAWICK RUGBY FOOTBALL CLUB

6. There had been circulated copies of an application from Hawick Rugby Football Club for financial assistance of £2,000.00 to assist with the event costs of a match between Edinburgh Rugby Club and Newcastle Falcons to be held on 30 August 2013. Mr Thorburn was in attendance at the meeting to answer questions. It was expected that the event would attract 500 – 600 spectators. The Club had already raised £2,000.00 towards the event and would retain the gate money. Members discussed the possibility of awarding some money now with an additional sum if the Club were left with a shortfall after the game. The Senior Financial Analyst advised that if there was a shortfall, detailed costs relating to the event should be supplied to enable the Sub-Committee to consider awarding a further grant. Councillor Patterson, seconded by Councillor Cranston, proposed that an initial grant of £1,000.00 be awarded to Hawick Rugby Football Club and that should there be a shortfall in funding the club could then re-apply for a further grant to a maximum of £1,000.00, subject to detailed costs being provided. This was unanimously approved.

DECISION

AGREED:-

- (a) to award a grant of £1,000.00 to Hawick Rugby Football Club; and
- (b) that in the event of a shortfall in funding the club could submit a further request for funding up to a maximum of £1,000.00, subject to detailed costs being provided.

DECLARATION OF INTEREST

Councillor Elliot declared an interest in the following item of business in terms of Section 5 of the Councillors Code of Conduct and left the room during the discussion. Councillor Marshall remained in the Chair for the following item.

MINTO GOLF CLUB

7. There had been circulated copies of an application from Minto Golf Club for financial assistance of £15,000.00 to assist with the Club's finances as visitor numbers and membership had dropped. Mr Elliot, Club Captain, was in attendance to answer questions. Members were advised that the club lay outwith the boundary of Hawick and that support in the past from the former Roxburgh District Council should not be considered as a precedent in this case. Members acknowledged that they had supported an application from Hawick Golf Club, however, the Sub-Committee had a direct interest in this club as owners of the land. Councillor Paterson, seconded by Councillor Smith proposed that the application be refused and this was unanimously approved.

DECISION

AGREED that the application for a grant in respect of Minto Golf Club be refused.

ORDER OF BUSINESS

8. The Chairman varied the order of business as shown on the agenda and the Minute reflects the order in which the items were considered at the meeting.

PROPERTY UPDATE AND SUMMARY

9. There had been circulated copies of a report by the Head of Corporate Governance updating the Hawick Common Good Fund Sub-Committee on the property maintenance and responsibilities following the site visits in May 2013.

Hawick Moor

10. It had been agreed to carry out substantial remedial works to the road surface which had deteriorated. The tarring works on the road cost £6,500.00. A new plastic running rail had been installed to the inside of the racecourse and this had been an improvement. The cost would be approximately £3,300.00; £1,000.00 of which had been donated by the Hawick Common Riding Committee.

Willestruther Cottage

11. The Property Officer informed the Sub-Committee that the cost of the supply and installation of a new multi-fuel burning stove at the property would be £6,000.00. The Committee requested that he investigate if there were grants available for the stove. The Sub-Committee also discussed a request from the tenant. The Senior Financial Analyst would arrange for a letter to be sent to the tenant asking them to supply commercial accounts to enable consideration of their request at the next meeting.

DECISION

AGREED

- (i) **To the supply and installation of a multi-fuel burning stove; and**
- (ii) **To request that the Legal and Licensing Services Manager submit a private report at the next meeting of the Sub-Committee regarding the tenant's request.**

St Leonard's Farmhouse, Buildings and Cow Park field

12. Members discussed the property inspection.

DECISION

AGREED that the Property Officer send a letter to the tenants with a follow up visit in two months; thereafter to inspect the property at six monthly intervals.

Pilmuir Cottage

13. The new storage shed would be erected once the tenant had received confirmation of any planning permissions requirements. Members discussed the property inspection.

DECISION

AGREED To request that the Property Officer carry out six monthly inspections at the property.

Pilmuir Farmhouse

14. Members discussed the property inspection.

DECISION

AGREED To investigate the grants available for the supply of loft insulation at the property.

DECLARATION OF INTEREST

Councillor Paterson declared an interest in the following item of business in terms of Section 5 of the Councillors Code of Conduct and left the room during the discussion.

HAWICK WEIGHT TRAINING AND FITNESS CLUB.

15. There had been circulated copies of an application from Hawick Weight Training and Fitness Club for financial assistance of £2,246.00 to assist with the purchase of new equipment for the Club. Mr Borthwick, Club Treasurer, was in attendance at the meeting to answer questions. Members noted that the Club were not currently members of the Roxburgh Sports Council and asked that they join the Sports Council. Once evidence of this had been provided the Sub-Committee would reconsider the application.

DECISION

AGREED to defer a decision on the application until the Club had become members of the Roxburgh Sports Council.

URGENT ITEM

16. Under Section 50B(4)(b) of the Local Government (Scotland) Act 1973, the Chairman was of the opinion that the item(s) dealt with in the following paragraph(s) should be considered at the meeting as a matter of urgency, in view of the need to keep Members informed/make an early decision.

USE OF COMMON HAUGH CAR PARK

17. The Estates Surveyor reported that a request had been received from the Roger Clark Memorial Rally to use the Common Haugh car park on 10 November 2013. There would be an inspection of the car park before and after the rally.

DECISION

AGREED to the use of the Common Haugh car park for the Roger Clark Memorial Rally on 10 November 2013.

MEMORIAL TREE AT VOLUNTEER PARK

18. The Estates Surveyor reported that he had received a request for a memorial tree to be planted at the Volunteer Park. The Forum asked that further information be provide for the next meeting regarding the implications in respect of the upgrading works scheduled for McLaren Park. The report should also include alternative options for the Forum to consider.

DECISION

To request that the Estates Surveyor report back to the next meeting of the Forum for further consideration.

PRIVATE BUSINESS

DECISION

19. **AGREED under Section 50A(4) of the Local Government (Scotland) Act 1973 to exclude the public from the meeting during consideration of the business detailed in the Appendix to this Minute on the grounds that it involved the likely disclosure of exempt information as defined in paragraph 6 of Part I of Schedule 7A of the Act.**

SUMMARY OF PRIVATE BUSINESS

Minutes

1. Members approved the private section of the Minute of 18 June 2013.

The meeting concluded at 5.35 pm.



HAWICK HIGH SCHOOL

RECTOR: ALAN WILLIAMSON

www.hawickhighschool.co.uk

Buccleuch Road
Hawick
TD9 0EG

General Enquiries: 01450 372429
Pupil Office: 01450 363215
Fax: 01450 377830

Connecting Classrooms Visit to Sierra Leone

Fund details as at 8/11/13

Total amount required for visit: £6,250

Total funds raised by pupils: £5,750

I confirm that this is an accurate description of the financial position of the Connecting Classrooms exchange visit for 5 pupils to Sierra Leone in October 2013.

Njord Maciver
Lead Teacher of Connecting Classrooms Exchange
Hawick High School

Monitoring Report for 6 Months to end September 2013 and Investment Level Determination

Report by the Chief Financial Officer

Hawick Common Good Sub Committee

19 November 2013

1 PURPOSE AND SUMMARY

- 1.1 On 29th August the Council approved the formation of an Investment Fund in accordance with the approved Single Investment Strategy for Common Good and Trust Funds. Common Good Sub Committees now have to determine the level of funding which they wish to transfer into this new Investment Fund.
- 1.2 The investment fund is most suitable for funds to be held on a medium to long term basis so sufficient funds should be retained in the SBC Loans Fund for immediate use. Appendix 7 sets out the funds which are available for investment and the funds which the Sub Committee may consider need to be retained for current activities in the short term.
- 1.3 Due to higher than initially anticipated work on properties, total expenditure is projected to be £23,070 in excess of the approved budget for 2013/14, and income is projected to be £525 less than budgeted due, in the main, to minor adjustments to rent and interest outturn projections.
- 1.4 To make budget provision for this a budget virement is proposed as set out in appendix 6.
- 1.5 This report sets out details of transactions for the 6 months to 30 September 2013, the projections of the annual outturn with variances from the current budget, virement to address a required budget changes and the projected effect on Revenue and Capital Reserves at 31 March 2014. It also provides information to enable the Sub Committee to recommend a level of funding to transfer into the New Investment Fund .

2 RECOMMENDATIONS

- 2.1 **It is recommended that the Common Good Sub Committee approves:-**
 - (a) the financial performance for 2013/14 as shown in Appendix 2 notes:-**
 - (b) the key figures shown in Appendix 1**
 - (c) the Grants Analysis provided in Appendix 3**

- (d) the projected balances on Revenue and Capital Reserves as shown in Appendix 4**
- (e) the performance of the Property Portfolio as shown in Appendix 5.**
- (f) the virement proposed in Appendix 6
and determines :-**
- (g) the level of funding to transfer to the New Investment Fund following consideration of the content of Appendix 7.**

3 PROJECTED OUTTURN 2013/14

- 3.1 Appendix 1 brings together key financial data on the Revenue performance and Balance Sheet situation for 2013/14.
- 3.2 Appendices 2 to 5 provide details on the Revenue budget in an extended format, Grants paid and payable, Revenue and Capital reserves and the performance of the Property Portfolio.
- 3.3 Appendix 6 sets out a virement request to provide additional budget for property costs, a reduced budget for income from interest and take account of slight increase in projected rental income. The net effect of these budget changes will result in the Revenue Reserve having to be used to fund the current year budget by a further £23,595 at a total level of £ 33,926.
- 3.4 Projected income from interest on balances invested in the Council's Loan Fund is projected to be £575 less than the budget since currently the capital advanced to SBC Loans Fund is only earning half of the interest rate used to set the budget following reductions in interest rates. No account has been taken of any changes which could happen to investment income following any transfers of funds into the approved investment fund under the Common Good & Trust Fund Single Investment Strategy. 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.
- 3.5 Projected rental income is £50 higher than the budget level due to a minor adjustment in the projected income from the Common Haugh.
- 3.6 Property costs are now projected to be higher than initially proposed when the budget was set, due to the ongoing reviews of repair and improvement requirements, which resulted in a number of one off items being approved for this year, including the installation of a multifuel stove in Williestruther Cottage.
- 3.7 Taking all of the above into consideration the Common Good Fund is projecting total expenditure of £178,864 and income of £109,085 supplemented by a draw down of £35,853 from the Revaluation Reserve, resulting in an outturn net expenditure of £33,926 being £23,595 higher than the budget.

4 REVENUE & CAPITAL RESERVES

- 4.1 Appendix 4 shows the effect on accumulated reserves of the projected outturn for 2013/14.

5

- 5.1 Following on from the Council's approval of the setting up of a new investment fund in line with the approved Single Investment Strategy for

Common Good and Trust Funds, the next step is for each Common Good Sub Committee to consider and determine how much of its funds it wishes to place in the new investment fund, which is best used for medium and long term fund holding to obtain the desired returns. It is anticipated that the income generated by the new investment fund will be significantly greater than that currently available from the funds held in SBC Loans Funds. At this stage there has been no account taken of this potential additional income in the current years monitoring statements.

- 5.2 Appendix 7 sets out the total level of funds available £423,942 and identifies a level of retention of funds for short term use £38,376 and the level of funds which could be considered available for medium and long term investment £385,566.

6 IMPLICATIONS

6.1 Financial

There are no financial implications, other than those explained above in Sections 3, 4 and 5.

6.2 Risk and Mitigations

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

6.3 Equalities

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

6.4 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. The potential improvement in levels of income through the use of the new investment fund will act to make the Common Good Fund more sustainable in the future.

6.5 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.

7 CONSULTATION

- 7.1 The Head of Corporate Governance, the Head of Strategic Policy, the Head of Audit and Risk, the HR Manager 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)

Name	Designation and Contact Number
Andrew R S Mitchell	Senior Financial Analyst, Corporate Finance. 01835 824000 Extn 5974

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 30.9.13

	£	£
Projected Outturn:		
Property Rental Income		96,960
Less Expenditure on property		-62,300
Net Income		34,660
Add other income sources:-		
Miscellaneous		36
Interest on Capital & Revenue Loans Funds with SBC		1,425
Investment Income		5,100
		41,221
Less Expenditure on running costs:-		
Administration	-100	
Net Central Support Service Costs	-5,277	
		-5,377
Excess of Income over running costs		35,844
Less Expenditure other than running costs:-		
Grants & Donations made to local bodies		-33,000
Cost of replacement shed at Pilmuir		-36,770
Projected Funding required from Reserves		33,926

Projected Revenue Reserve		
Revenue Reserve at start of year		99,573
Less Projected funding required for Revenue Expenditure above		-33,926
Less Transfer to Capital Reserve		0
Projected Revenue Reserve at end of year		65,647

Grants & Donations		
Total Grants budget for the year		33,000
Prior Year Grants committed	1,500	
Grants approved in year to date	4,347	
		5,847
Remaining budget available for Grants in the rest of the year		27,153

Investments & Loans		
Investments externally managed		157,606
Revenue in SBC Loans Funds		
Funds invested in SBC Revenue Loans Fund at start of current year		96,972
Capital in SBC Loans Funds		
Funds invested in SBC Capital Loans Fund at start of current year		203,290
Movement in this fund in the year to date		0
		203,290

Effect of inflation on the value of the Funds invested in the SBC Capital Loans Fund		
RPI March 2012 to March 2013	3.28%	
Transfer from revenue required to retain buying power of this investment		6,668

**SCOTTISH BORDERS COUNCIL
HAWICK COMMON GOOD FUND
REVENUE BUDGET MONITORING 2013/14**

Appendix 2

Description	Current Budget for the year to 31.3.14	Actual Transactions to 30.9.13	Over spend to date against full year budget	Under spend to date against full year budget	Projected Outturn for year to 31.3.14	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	49,368	8,368		62,300	21,300	
Property Renovation Pilmuir Farm	35,000	36,770	1,770		36,770	1,770	
Central Support Services Recharges	10,841	0		10,841	10,841	0	
Administration	100	0		100	100	0	
Depreciation	35,853	0		35,853	35,853	0	
Donations and contributions	33,000	3,347		29,654	33,000	0	
Total Expenditure	155,794	89,485	10,138	76,448	178,864	23,070	0

Description	Current Budget for the year to 31.3.14	Actual Transactions to 30.9.13	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 31.3.14	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	96,910	76,573	20,337		96,960		50
Interest received	2,000	0	2,000		1,425	575	
Dividend income	5,100	0	5,100		5,100		0
Other Income	36	36		0	36		0
Central Support Services support grant	5,564	0	5,564		5,564		0
	109,610	76,609	33,001	0	109,085	575	50
Funding from Fixed Asset Restatement Reserve	35,853	0	35,853		35,853		0
Total Income	145,463	76,609	68,854	0	144,938	575	50
Net Expenditure Totals	10,331	12,875			33,926		
Net expenditure over spend & income under generation			2,544			23,595	

**SCOTTISH BORDERS COUNCIL
HAWICK COMMON GOOD FUND
DONATIONS AND CONTRIBUTIONS PAID AND APPROVED 2013/14**

Appendix 3

	Date Approved	£	£	£
Approved Budget				33,000
Paid as at 30 Sept 2013				
Hawick Lindean Rugby Football Club Defribulator Training	18.6.13	1000		
Hawick Summer Festival 2013 Festival support	18.6.13	1000		
Hawick Rugby Football Club Edinburgh v Newcastle Match	22.8.13	1000		
Drumlanrig Primary School P6 Swimming	22.8.13	347		
Total paid as at 30 Sept 2013			3,347	
Approved but not paid at 30 Sept 2013				
The Ancient Order of Mosstroopers "Horse" restoration fund contribution	20.9.11	1,500		
Hawick Rugby Football Club Edinburgh v Newcastle Match underwriting	22.8.13	1,000		
Total approved but not paid at 30 Sept 2013			2,500	
Total paid and approved at 30 Sept 2013				5,847
Remaining Budget for 2013/14				27,153

SCOTTISH BORDERS COUNCIL

Appendix 4

HAWICK COMMON GOOD FUND

PROJECTED RESERVES AS AT 31 MARCH 2014

Revenue Reserve	£
Balance as at 31 March 2013	99,573
Less Projected net expenditure for 2013/14	-33,926
Projected balance at 31 March 2014	<u>65,647</u>
Capital Reserve	£
Balance as at 31 March 2013	500,906
Projected movement during 2013/14	0
Projected balance at 31 March 2014	<u>500,906</u>

HAWICK COMMON GOOD FUND
Appendix 5
Property Portfolio Performance
to end Sept 2013

	1.4.13 Book Value	Rental Income		Expenditure to end September 2013									
		Current Budget	Projected Outturn	Repairs	Ground Maint.	Fencing Plumbing & Drains	Ins.	Rates Water & Power	Estates & Property Service	Misc	Pilmuir Shed restoration	Letting Costs	Total
Fixed Assets	£	£	£	£	£		£	£	£			£	£
Hawick Moor Racecourse & Bld	29,433	720	720	1,143	16,410	0		85					17,639
Hut at St Leonards	7,980			2,399				79					2,478
Mill Path Stables	15,867			32				113					146
Bunting For Common Riding										355			355
Sub Total		720	720	3,575	16,410	0	0	278	0	355	0	0	20,617
Common Haugh	328,000	8,150	8,200	711				436					1,147
Hawick Golf Course	86,500	1,300	1,300										0
Haggis Ha/Burnflat wall				983									983
Hawick Moor Shootings	3,000	300	300										0
Lothian St. Stores	16,380	2,550	2,550										0
Nipknowes (Woodend Grazings-East)	850	150	150										0
Nipknowes (Woodend Grazings-West)	850	150	150										0
Pilmuir Farm & Farmhouse	1,045,500	45,000	45,000	15,268									15,268
Pilmuir Farm Cottages	56,000	7,200	7,200					0				0	0
Pilmuir Farm Shed restoration	0										36,770		36,770
Pilmuir Farm Shootings	0												0
St Leonards Horse Gallop	10,000	825	825										0
St Leonards Cottage & Park	116,650	5,400	5,400										0
St Leonards Farmhouse & buildings	198,480	8,300	8,300										60
St Leonards Grazings	200,000	8,540	8,540										3,722
Williestruther Cottage	109,200	6,250	6,250	362	0								362
Williestruther Loch	4,500	375	375	0	1,158								1,158
Under Haugh	0												0
Volunteer Park & Stand	262,600	1,700	1,700	745									745
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)
 Vertish Hill Hand Rail
 General
Income & Expenditure Totals
 Book Value of Assets at 1.4.13

1.4.13 Book Value	Rental Income		Expenditure to end September 2013									
	Current Budget	Projected Outturn	Repairs	Ground Maint.	Fencing Plumbing & Drains	Ins.	Rates Water & Power	Estates & Property Service	Misc	Pilmuir Shed restoration	Letting Costs	Total
£	£	£	£	£		£	£	£			£	£
0												0
								1,950				1,950
			115									115
						3,241						3,241
	96,910	96,960	21,759	17,568	3,782	3,241	715	1,950	355	36,770	0	86,138
2,564,808												

Budget Virement Requirement

1 Virement is required from

Department	Hawick Common Good	2013/14	2014/15	2015/16
Service		£	£	£
Budget Head	Revenue			
	Reserve	23,595	0	0
	Interest	50	0	0
	Total	23,645	0	0

To

Department	Hawick Common Good	2013/14	2014/15	2015/16
Service		£	£	£
Budget Head	Interest	(575)		
	Property Costs	(21,300)		
	Pilmuir Farm Renovations	(1,770)		
	Total	(23,645)	0	0

Because

To provide budget for additional property cost projected to be required and reduce the income from interest budget caused by a lowering of the interest rate on Capital funds held in SBC Loans Fund, by increasing the rental income budget and increasing the deficit projections for the year

**SCOTTISH BORDERS COUNCIL
HAWICK COMMON GOOD FUND**

Appendix 7

Determination of levels for transfer of funds to New Investment Fund

	£	£
<u>Funds available for investment</u>		
External Investments at 1.4.13		157,606
Funds held in SBC Loans Funds at 1.4.13		
Revenue	96,972	
Capital	203,290	
	<u>300,262</u>	
		<u>457,868</u>
Projected deficit for year to 31.3.14		<u>-33,926</u>
Funds available for short & long term holding		<u>423,942</u>
<u>Projected funding requirements</u>		
Projected Running Costs for a year	5,376	
Projected Grants for a year	33,000	
Projected one off costs in next 3 years	0	
	<u>38,376</u>	
<i>Interest & Dividend Annual income</i>	<u>6,500</u>	
	31,876	
<i>Net Property Surplus</i>	<u>40,960</u>	
<i>Annual core projected surpluses</i>	<u>9,084</u>	
Proposed short term fund holding level in SBC Loans Fund		<u>38,376</u>
Funding available for New Investment Fund		<u>385,566</u>
<u>Fund Transfer proposals</u>		
Transfer of all deposits of external investments	157,606	
Transfer of all funds held on SBC Loans funds (Capital)	203,290	
Transfer from funds held on SBC Loans Funds (Revenue)	24,670	
		<u>385,566</u>

**LEASE OF VOLUNTEER PARK AND STAND TO BILL McLAREN
PARK Ltd**

Report by Head of Corporate Governance

HAWICK COMMON GOOD FUND SUB COMMITTEE

19 November 2013

1 PURPOSE AND SUMMARY

- 1.1 **This report seeks to obtain the views of the Hawick Common Good Sub Committee regarding a request to indicate support to Bill McLaren Park Ltd for the development of a 3G playing pitch on land currently leased to the Volunteer Park Sports Committee.**
- 1.2 The Bill McLaren Foundation through its company, Bill McLaren Park Ltd, should it be successful in raising sufficient funding to undertake major improvements to the sporting facilities at the Volunteer Park, propose to take on a lease of the park and stand in order to proceed with its development and to thereafter manage it for the benefit of the sporting fraternity and wider community. In this event the current lease to the Volunteer Park Sports Committee would be terminated to allow the development to proceed.
- 1.3 The proposed improvements include the development of a new 3G synthetic pitch on the Volunteer Park as part of a sports centre for Hawick that would also include facilities at the neighbouring Buccleuch Park.
- 1.4 The Volunteer Park Sports Committee is understood to have been consulted on the proposals by the Bill McLaren Foundation and is believed to be supportive of them.

2 RECOMMENDATIONS

- 2.1 **I recommend that the Hawick Common Good Sub Committee:-**
- (a) Authorises the Head of Corporate Governance to issue a letter (or letters) confirming their support of grant funding applications the Bill McLaren Foundation (or Bill McLaren Park Ltd) may make in respect of their proposed development at the Volunteer Park, Hawick.**
- (b) Authorises the Head of Corporate Governance, should the Bill McLaren Foundation (or Bill McLaren Park Ltd) secure the funding it needs to undertake its proposed development at the Volunteer Park and obtains the necessary planning consent, to:-**

- (i) Confirm the position with the existing tenants, the Volunteer Park Sports Committee, that they consent to the proposal;**
- (ii) Serve notice of termination of the lease to the Volunteer Park Sports Committee and upon termination;**
- (iii) Grant a new 25 year lease to Bill McLaren Park Ltd for an area of 2.37 hectares (approx) comprising the Volunteer Park and Stand at a rent of £1,700 per annum; and**
- (iv) Agree any other lease terms that he deems appropriate**

3 BACKGROUND & PROPOSALS

- 3.1 The Volunteer Park was sold by the Duke of Buccleuch to the Hawick Common Riding Committee in 1920. The Park and stand has been leased to the Volunteer Park Sports Committee for many years with the most recent lease being for 25 years from 1997.
- 3.2 The ownership of the Volunteer Park and Stand was transferred from the Common Riding Committee to the Hawick Common Good Fund in 2012 subject to the above lease arrangements.
- 3.3 The Volunteer Park Sports Committee currently pay an annual rent to the Common Good fund of £1,700. The Common Good fund have also awarded grants to that Committee for upgrading works to the stand in the last three years which amount to more than the rental income.
- 3.4 The Bill McLaren Foundation have plans to redevelop the Volunteer Park and neighbouring Buccleuch Park to create a sports centre for rugby, football, cricket, tennis and athletics. (see attached plans).
- 3.5 In order to progress the redevelopment plans a new company, Bill McLaren Park Ltd, was set up in 2013. The directors/shareholders in this new company are Hawick Lindean and Hawick Wanderers rugby clubs, Hawick and Wilton Tennis Club and Hawick and Wilton Cricket Club and is chaired by the Bill McLaren Foundation. (see attached business plan)
- 3.6 An application to the Sport Scotland 3G Cashback grant scheme has been submitted by the Bill McLaren Foundation for a £300,000 grant to develop the 3G pitch.
- 3.7 In order to secure Lottery and other grant funding a lease, or other form of security of tenure, is required from the Hawick Common Good fund as owners of the land. Initially a letter of comfort is required from the landlord to confirm that a lease is available and the lease can be progressed once funding and planning permission are in place.
- 3.8 For a lease to be granted, it would mean terminating the current lease to the Volunteer Park Sports Committee. However because the lease does not have an early termination provision (except for non-payment of rent or other serious breach), any termination would have to be mutually agreed between the landlord and tenant. It is understood that the Bill McLaren Foundation has consulted with the Volunteer Park Sports Committee and that the latter is supportive of the former's proposals. It is therefore believed that if the Bill McLaren Foundation is successful in raising the funding required for its development and is in a position to proceed, that it would be possible to agree a termination of the lease to the Volunteer Park Sports Committee.
- 3.9 It is therefore proposed that:-
 - (a) A letter of comfort is provided from the landowner to support the Bill McLaren Foundation in its application(s) for grant funding and that if sufficient funding for their proposed development is secured and they obtain the necessary planning consent to;
 - (b) Negotiate a termination of the lease of the Volunteer Park and Stand to

the Volunteer Park Sports Committee subject to the latter's agreement and immediately thereafter to;

(c) Enter into a 25 year lease for an area of 2.37 hectares (approx) comprising the Volunteer Park and Stand at a rent of £1,700 per annum to Bill McLaren Park Ltd.

4 IMPLICATIONS

4.1 Financial

- a The current rent paid by the Volunteer Park Sports Committee for the stand and pitch at the Volunteer Park is £1,700 per annum and it is proposed that this rent will continue with Bill McLaren Park Ltd.
- b The cost of developing the 3G pitch is estimated at £850,000 and extensive funding will be required from Scottish Borders Council or other sources. The tenants will be responsible for securing this funding.

4.2 Risk and Mitigations

There is a risk that the funding for the proposed redevelopment will not be achievable and the proposal will not progress.

4.3 Equalities

It is anticipated there will be no adverse impact due to race, disability, gender, age, sexual orientation or religion/belief arising from the proposals contained in this report.

4.4 Acting Sustainably

There are no significant effects on the economy, community or environment.

4.5 Carbon Management

There are no significant effects on carbon emissions.

4.6 Rural Proofing

Not applicable because no new Council policy or strategy is being requested.

4.7 Changes to Scheme of Administration or Scheme of Delegation

There are no changes to be made.

5 CONSULTATION

- 5.1 The Chief Financial Officer, Head of Property and Facilities Management and Clerk to the Council have been consulted and their comments have been incorporated into the report.

Approved by

Head of Corporate Governance

Signature

Author

Name	Designation and Contact Number
James Morison	Estates Surveyor, Property & Facilities 01835 824000

Background Papers: None

Previous Minute Reference: None

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

Contact us at Estate Management, Scottish Borders Council, Newtown St Boswells. 01835 824000 Ext 5295

1. Introduction and Background

Introduction

This document has been prepared as an initial brief for the creation of a Bill McLaren Centre for World Rugby based in Hawick, Scottish Borders. This Bill McLaren Centre for World Rugby will incorporate a huge audio-visual evocation of the story of world rugby told in TV pictures and sound, Bill McLaren Archive and Education Centre in addition to the provision of a multi-sports facility for the sporting community, and also an education outreach programme.

Background

The Bill McLaren Foundation was set up to celebrate the life, achievements and values of Bill McLaren. Bill McLaren was a man who represented all that is best about rugby union. He was known as “The Voice of Rugby” not just because of the beauty of his tone and the delight of his imaginative phrasing, but because he portrayed our game as we would always wish it to be.

The Foundation was set up to raise funds to support the development of rugby and its values, and also to recognise the contribution Bill McLaren made to rugby through education and the development of an interpretative centre, including Bills extensive archive and his original big commentary sheets.

The Foundation was launched in March 2010 with three main aims:

- To develop and promote the sport of rugby union and its values
- To encourage and provide sporting opportunities for young people
- To create an educative centre which will include the Bill McLaren Archive

A grant making process has been created to support the first two objectives above and to date (early 2013) over £200,000 has been distributed to projects that meet the criteria set out by the Foundation.

This proposed project aims to deliver the third objective of the Bill McLaren Foundation by the creation of a Bill McLaren Centre for World Rugby which will form the centre of a redeveloped sports provision.

It is proposed that the development will consist of two phases, the first phase taking the form of the sports provision with phase two being the addition of the Bill McLaren Centre for World Rugby.

2. The Vision for the Project

Scottish Borders Council provided the Foundation with information; advice and support to identify several sites which could meet the initial design brief provided by the Bill McLaren Foundation. The Bill McLaren Foundation Trustees have agreed the preferred site (Volunteer Park and Buccleuch Park).

Phase 1. 2011 – 2014 - Redeveloped Sports Provision

The preferred site (Volunteer Park and Buccleuch Park) currently exists as a rugby pitch (including stand, social area and changing facility), tennis courts and cricket pitch (including social area and changing facility).



If given full support by the current landowners who include Hawick Common Good, Scottish Borders Council, Buccleuch Estates, the Hawick Community including the existing tenants and other stakeholders, the project could initially (Phase 1) redevelop the existing sports provision including changing and social areas for community use, and be used as a sports hub for the Hawick area. It is hoped that it will include:

- New flood lit synthetic 3G pitch (dual use for football and rugby – IRB 22 and FIFA 2* quality)
- Covered seated spectator area for this pitch
- Upgraded Tennis Courts (includes floodlights and three full size courts)
- Upgraded Cricket pitch including existing practice nets
- New multi use changing facility and social area for ALL users to share.

The new facility will be a real sports hub for the town of Hawick and used by multi sports, Rugby, Football, Cricket, Tennis, Running, Walking, Hockey.

In 2013 a new company 'Bill McLaren Park Ltd' was set up with all current lease holders including Hawick Linden and Hawick Wanderers Rugby clubs, Hawick and Wilton Tennis club and Hawick and Wilton Cricket club and is chaired by the Bill McLaren Foundation.

This group which has charitable status has agreed the final design of the facilities and is attached as appendix 1.

The facilities are to be developed in three stages:

- Stage 1 – The development of three new tennis courts and upgrading of the Cricket facilities.
- Stage 2 – The development of the new 3G synthetic full size rugby and football pitch.
- Stage 3 – The design and development of the multi changing and community facility.

Stage 1 (Tennis Courts)

Current Provision

Within the town there are 6 blaes courts in Wilton Park (3 in use, no lights and very poor public access especially for young people), also within the proposed new site there are 3 derelict tarmac courts which have been damaged by flood. In 2012 a site visit report was completed by the LTA's technical consultants Labosport which is attached which details the current provision and options available to Tennis. At the time of the report the Bill McLaren Park plans were in their infancy and now that they have been developed with the Tennis club is the preferred option for the Tennis Club.

The Plan

The plan is to create three new all-weather tennis courts (porous macadam) with floodlighting and fencing to all courts. Access to the existing cricket pavilion for changing and toilets etc will remain with the plan to integrate fully into a planned multi sports provision as part of the wider Bill McLaren Park project which will be situated adjacent to the proposed new courts. The size of each court will be 34.75m by 46.03m which are the dimensions set out by the LTA. The new courts will be raised by 750mm as per the guidance from Hawick's Flood Prevention Scheme (Paper attached) which will provide a 1 in 200 risk of flooding.

Sustainability

The business model for the tennis facility is outlined on the attached business/development plan developed by the tennis club which stands alone as a facility project within the larger facility plan for Bill McLaren Park Ltd.

In summary the business case for tennis is based on an annual turnover of approx £8200 with expenditure of approx £5,400 providing a surplus of £2,800 annually which will be allocated for the maintenance of the facility which will include refurbishment of the courts estimated for 10 years.

These forecasts are based on the adult and youth membership fees, pay and play sessions based on 40% of usage on 16 hours per week @ £6 per hour for 48 weeks.

Expenditure is based around rent, maintenance, utility costs for the flood lights, there is also lifecycle costs added to create a sinking fund for the refurbishment of the courts estimated for 10 years.

Project Costs

Stage 1 costs have been estimated at £194,640 based on similar projects and funding of £77,640 has already been secured from the Legacy 2014 Active Places Fund. Additional funding from LTA, Bill McLaren Foundation, Landfill Fund, Scottish Borders Council and Club funds will hopefully make up the remaining funds.

Stage 2 – (3G rugby/football Pitch)

Current Provision

At present there is a grass rugby pitch, stand and two changing rooms. The pitch is used by both existing rugby clubs for both training and matches and the area is also used by the towns U16 team, the secondary school and one of the local primary schools for training. At present there are no football clubs using this area.

The Plan

The plan is to create a new 3G IRB/FIFA 2* synthetic surface full size (including run offs) for rugby and football, perimeter fencing and upgrading of the current stand.

Sustainability

The business model for the rugby/football facility is outlined on the attached plan developed from experience gained from the recently developed facility at Netherdale, Gala which will stand alone as a facility project within the larger facility plan for Bill McLaren Park Ltd.

In summary the business case for Rugby/Football is based on an annual turnover of approx £31000 with expenditure of approx £21,000 providing a surplus of £10,000 annually which will be allocated for the refurbishment of the courts estimated for 10 years.

Expenditure is based around rent, maintenance, utility costs for the flood lights; there is also lifecycle costs added to create a sinking fund for the refurbishment of the courts estimated for 10 years.

Project Costs

Stage 2 costs have been estimated at £850,000 based on similar projects and funding application of £300,000 has been submitted to the Cashback 3G Facility Fund with the additional funding being debated for approval from Scottish Borders Council.

Stage 3 – Multi Changing Area

At present there is no development on this aspect of the plan as priority has been given to Stage 1 and Stage 2 of the plan.

3. Management

Success for this project is subject to a partnership approach, and it is clear there is a strong requirement for all stakeholders and partners involved to work together to make this happen.

Short term management of this project will be done by Bill McLaren Park Ltd with support from Hawick High School who currently manages the existing sand dressed artificial pitch which is situated adjacent to the proposed site.

It is envisaged that upon completion, the operational, day to day management of the facility will be put out to tender.

Winter Tariff 1st Oct - 31st March

	Monday		Tuesday		Wednesday		Thursday		Friday		Saturday		Sunday		Totals
08.00-09.00											1	1	1	1	
09.00-10.00											1	1	1	1	
10.00-11.00											1	1	1	1	
11.00-12.00											1	1	1	1	
12.00-13.00											1	1	1	1	
13.00-14.00											1	1	1	1	
14.00-15.00														1	1
15.00-16.00														1	1
16.00-17.00			1	1			1	1						1	1
17.00-18.00	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
18.00-19.00	1	1			1	1			1	1	1	1	1	1	1
10.99-20.00	1	1			1	1			1	1	1	1	1	1	1
20.00-21.00	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
21.00-22.00	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
	5	5	4	4	5	5	4	4	5	5	11	11	14	14	96

Hourly Rate 20 100 100 80 80 100 100 80 80 100 100 220 220 280 280 £ 1,920

Summer Tariff 1st April - 31st Sept

	Monday		Tuesday		Wednesday		Thursday		Friday		Saturday		Sunday		Totals
08.00-09.00											1	1	1	1	
09.00-10.00											1	1	1	1	
10.00-11.00											1	1	1	1	
11.00-12.00											1	1	1	1	
12.00-13.00											1	1	1	1	
13.00-14.00											1	1	1	1	
14.00-15.00														1	1
15.00-16.00														1	1
16.00-17.00			1	1			1	1						1	1
17.00-18.00	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
18.00-19.00	1	1			1	1			1	1	1	1	1	1	1
10.99-20.00	1	1			1	1			1	1	1	1	1	1	1
20.00-21.00	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
21.00-22.00	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
	5	5	4	4	5	5	4	4	5	5	11	11	14	14	96

Hourly Rate 10 50 50 40 40 50 50 40 40 50 50 110 110 140 140 £ 960

Annual Faciltiy Income (Based on 50% winter rental and 25% summer rental)

	Weekly Potential Income	% Occupancy	Number of Weeks	Total Annual Income
Winter	1920	50%	26	24960
Summer	960	25%	26	6240
			Total Income	31200

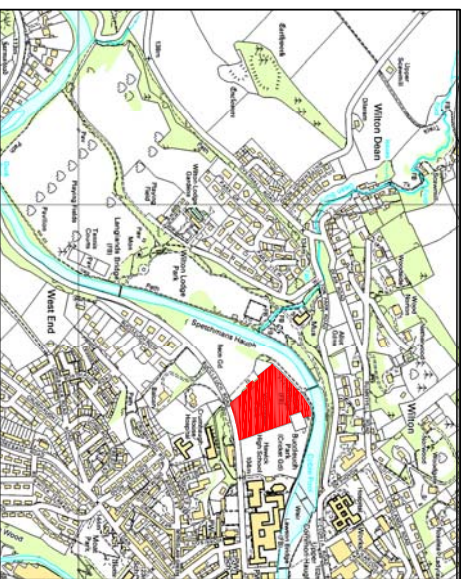
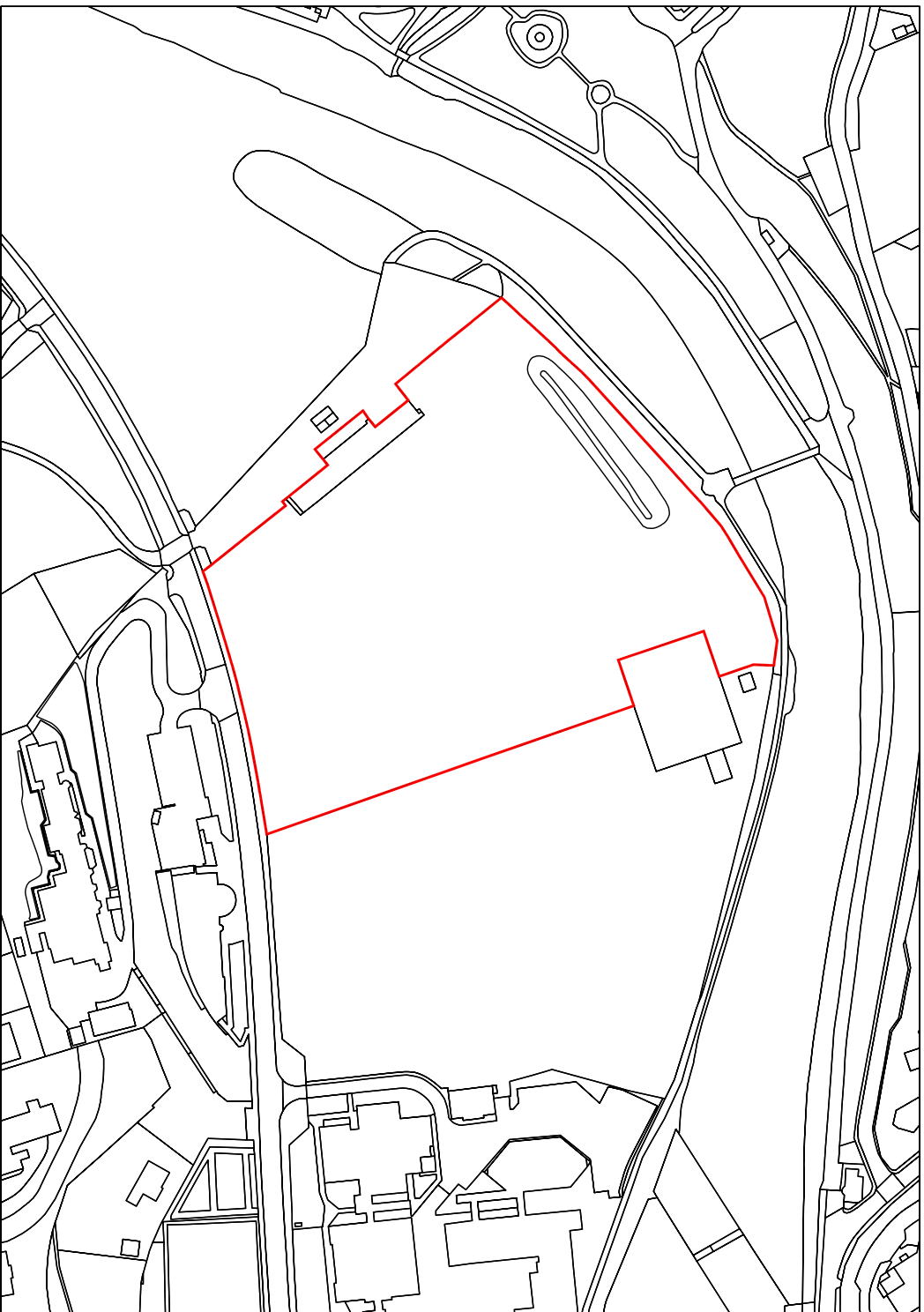
Stakeholder Usage Commitment

	Number of Units	Number of Weeks	Tariff	W	S	Total Annual Income
Hawick Linden	4	26		0		500
Hawick Wanderers	4	26		0		500
Hawick Albion	4	26		20		2080
Hawick RFC	4	26		20		2080
Hawick YM	2	26		20		1040
Hawick Quins	2	26		20		1040
Hawick PSA	2	26		20		1040
Hawick United FC	4	26		20		2080
Hawick Youth FC	4	26		20		2080
Hawick Waverly FC	2	26		20		1040
Football Albert FC	2	26		20		1040
School	20	32		0		1000
Other Community	20	26		20		10400
Other Community	22	26			10	5720
Total Units	96					31640

Appendix 2 - 3G Usage/Income Business Plan (Example of Gala Expenditure 2012-13)

Dept	Actual	Actual	Actual	Actual	Actual	Actual	Budget	Budget	Budget	Budget	Budget	Budget	Total	Total
80	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Forecast	Budget
3G Arena	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	12/13	12/13
Staffing	1,876	1,910	2,362	2,336	254	1,678	1,566	2,371	2,371	2,371	2,371	2,371	23839	28,457
% Sales														
Expenses														
Energy	500	500	4,153	1,117	(546)	356	2,056	515	515	515	215	215	10,111	6,580
Water and Chemicals	26	375	37	64	178	536	60	343	343	343	343	643	3,292	4,119
Property Maintenance	582	658	472	656	363	905	581	687	687	687	687	3,490	10,454	10,744
Transport	56	79	0	0	0	0	34	20	20	20	20	20	269	241
Equipment	186	173	264	250	127	25	643	129	0	0	129	129	2,054	1,546
Admin Costs	150	237	125	138	100	154	0	106	106	106	106	106	1,434	1,271
Marketing	519	0	152	666	115	0	80	172	(0)	172	(0)	172	2,046	2,060
Support Services	17	78	17	17	17	233	(33)	63	63	63	63	63	661	757
Professional Fees	0	0	0	0	0	0	0	106	106	106	106	106	530	1,271
Insurance	0	400	675	500	0	0	0	(0)	172	172	172	171	2,261	2,060
Others (Inc Non rec VAT)	145	116	833	172	35	131	94	188	188	188	188	185	2,463	2,252
Exceptional Costs	0	0	2,500	833	0	833	1,667	833	833	833	833	834	10,000	10,000
					0	0	0	0	0	0	0	0	-	-
	2,181	2,616	9,228	4,413	389	3,173	5,182	3,161	3,033	3,205	2,861	6,133	45,576	42,901

Please note that initially there will be no staffing costs in the proposed plan for Bill McLaren Park and running costs in years 1 to 3 will be kept to a minimum as per the budget proposed.

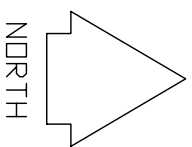


LOCATION PLAN (SCALE 1:20,000)

Land to be leased at:
 Volunteer Park
 Hawick

Area: 23,705.8 m² o.t.
 (2.371 ha o.t.)

13/CG/011
 Date: 11th November 2013



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PROPOSED FACILITIES FOR VOLUNTEER PARK, HAWICK

1. Existing all weather pitch to be converted to hockey/ tennis surface when carpet is next replaced.
2. Existing stand refurbished and shelter removed
3. New Pavilion/changing rooms showing outline of rugby ball building above, New IRB22/FIFA 1* synthetic pitch
4. Existing viewing bund re-profiled
5. New grass rugby pitch
6. 3 full size synthetic tennis courts.
7. New long jump and triple jump pit and run up
8. Shot and Hammer throwing circles
9. Grass 400mm running track with integral 100mm straight.
10. Existing hockey pitch
11. Existing cricket wicket with synthetic wicket re-surfaced
12. Parking for 13 Cars, plus
13. 2 Accessible parking spaces and HGV turning and pitch maintenance access
14. Parking for 80 cars and 4 coaches
15. Access path through to Wilson Park via Victoria Bridge
16. New path to link to potential new bridge
17. Existing play facilities upgraded or moved
18. Coach drop off
19. 4.5x4.5m Visibility splay
20. Borders College
21. Existing vehicle entrance
22. Existing drop kerb
23. Access path from Primary school
24. Existing Synthetic Cricket Nets

- | | | |
|-----------|---|-------------|
| D | Pavilion moved closer to cricket wicket | 21 Jun 2012 |
| C | Existing stand incorporated | 20 Jun 2012 |
| B | Parking moved between new buildings | 22 May 2012 |
| A | Parking moved to west of the site | 11 May 2012 |
| GW | | 9 May 2012 |

rev	description	date	dr. by	app. by
original by				



The Sterry-Walters Partnership Ltd
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 Penrith, Cumbria, CA28 9NF
 T/F: 01968 660470
 SW@sterry-walters.com

The Bill McLaren Foundation,
 Mansfield Park, Hawick

Project:
Bill McLaren Foundation, New Pitches and Changing facilities at Volunteer Park, Hawick

drawing
Location Plan - General Layout

project number
2012-02-0010

drawing number VP-LL(90)001	rev C	scale 1:1,250 @A3	issue status Draft for comment
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