
Monitoring Report for 9 Months to end December 2012

**Report by the Chief Financial Officer
Lauder Common Good Sub Committee**

25 February 2013

1 PURPOSE AND SUMMARY

- 1.1 **This report sets out details of transactions for the 9 months to 31 December 2012 and projections of the annual outturn with variances from the final budget and the projected effect on Revenue and Capital Reserves at 31 March 2013.**
- 1.2 Expenditure is projected to be in line with the approved budget for 2012/13, whilst income from interest is projected to turn out at £1,250 above the initial budget due to interest from the loan to the Golf Club starting and increased interest, currently at 1.25%, now available on the Capital held in the SBC Loans Fund. Appendix 1 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 and 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 detailed property income and expenditure provided in Appendix 5.**

3 PROJECTED OUTTURN 2012/13

- 3.1 Appendix 1 brings together key financial data on the Revenue performance and Balance Sheet situation for 2012/13.
- 3.2 Appendices 2 to 5 provide details on the Revenue Budget monitoring in an expanded layout, Grants paid and payable, Revenue and Capital reserves and the property portfolio performance.
- 3.3 Interest has started to be earned upon the loan provided to the Lauder Golf Club. It is expected that the income earned in 2012/13 will be £430 and since no budget was set for this income this contributes to the higher than budgeted interest income.
- 3.4 Projected income from interest on balances invested in the Council's Loan Fund is projected to increase since the capital balance is currently earning 1.25% whilst the budget was initially set at 0.475%. The 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 The budget for rental income includes £7,800 relating to 2012/13 to be transferred back from Revenue Reserves since it was included in the 2011/12 accounts. There is also a small projected under generation of rental income of £81 due to changes in grazing lets.
- 3.6 Taking all of the above into consideration the Common Good Fund is projecting expenditure of £30,990 and income of £17,291 supplemented by a draw down of £9,228 from the Revaluation Reserve, resulting in an outturn of net expenditure of £4,471 in 2012/13, against a budget of £5,640.

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:

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Key Figures

2012/13

		£	£	£
		Renwick Bequest	General Common Good Fund	
Projected Outturn for 2012/13				
Property	Rental Income			1,769
	Transfer back from Revenue Reserves being rent billed in 2011/12 and in the Reserves at 31.3.12 but relating to 2012/13			7,800
	Total 2012/13 Property Income			9,569
	Less Expenditure on property			-7,000
	Net Income			2,569
Add other sources of Income	Interest on Loan to Lauder Golf Club			430
	Interest on Capital & Revenue Loans Funds with SBC			
	General Fund			870
	Renwick Bequest	1,000		
		1,000		3,869
Less Expenditure on running costs	SBC grant to reduce Central Support Services Charge		5,422	
	Less Central Support Service Charge		-9,762	
	Net Central Support Service Costs			-4,340
Excess of running costs over income				471
Expenditure other than running costs:-	Grants & Donations made to local bodies			5,000
Projected Income available to supplement Revenue Reserves		1,000		
Projected Funding required from Revenue Reserve				5,471

<u>Revenue Reserve</u>		Renwick Bequest	General	Total
Revenue Reserve at start of year		104,623	34,038	138,661
Less transfer back to 2012/13 Rent Income above			-7,800	-7,800
		104,623	26,238	130,861
Add Projected Excess Income over Expenditure above		1,000		1,000
		105,623	26,238	131,861
Less Projected Excess of Expenditure over Income above			-5,471	-5,471
Projected Revenue Reserve at end of year		105,623	20,767	126,390
Note:	The General Revenue Reserve at 31.3.12 included £7800 which will be transferred to rental income in 2012/13			

<u>Grants & Donations</u>				
Total Grants budget for the year				5,000
	Less:-	Prior year Grants to be paid this year	-2,050	
		Grants approved in 2012/13 to date	0	
				-2,050
Remaining Budget for Grants in the rest of the year				2,950

<u>Investments</u>		
Externally managed investment funds		0
Loan to Lauder Golf Club to be repaid fully on 1.7.22		25,000
	Less repayments due in year to 31.3.13	-1,482
	Projected balance at 31.3.13	<u>23,518</u>
Revenue in SBC Loans Funds		
	Funds invested in SBC Revenue Loans Fund at 31.3.12	122,896
	Less Funds used to provide Loan to Lauder Golf Club	-25,000
	Funds available for general transactions in 2012/13	<u>97,896</u>
Capital in SBC Loans Funds		
	Funds invested in SBC Capital Loans Fund at start of year	96,821
	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	3,456

SCOTTISH BORDERS COUNCIL

Appendix 2

LAUDER COMMON GOOD FUND

REVENUE BUDGET MONITORING 2012/13

Description	Current Budget for the year to 31.3.12	Actual Transactions to 31.12.12	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	7,000	3,895		3,105	7,000	0	0
Central support recharges	9,762	0		9,762	9,762	0	0
Administration	0	0		0	0	0	0
Depreciation	9,228	0		9,228	9,228	0	0
Donations and contributions	5,000	1,750		3,250	5,000	0	0
Total Expenditure	30,990	5,645	0	25,345	30,990	0	0

Description	Current Budget for the year to 31.3.12	Actual Transactions to 31.12.12	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							
2012/13 Rent charges	1,850	-4,296	6,146		1,769	81	0
2012/13 Rent billed in 2011/12 now transferred back from Reserves	7,800		7,800		7,800	0	0
	9,650	-4,296	13,946	0	9,569	81	0
Interest received							
General Common Good	550	430	120		1,300	0	750
Renwick Bequest	500	0	500		1,000	0	500
Central Support Recharges Grant	5,422	0	5,422		5,422	0	0
	16,122	-3,866	19,988	0	17,291	81	1,250
Funding from Fixed Asset Restatement Reserve	9,228	0	9,228		9,228	0	0
Total Income	25,350	-3,866	29,216	0	26,519	81	1,250
Net Expenditure Totals	5,640	9,511			4,471		
Net expenditure over spend & under generation of Income			3,871				
Net expenditure under spend & income over generation							1,169

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LAUDER COMMON GOOD FUND

Appendix 3

DONATIONS AND CONTRIBUTIONS PAID AND APPROVED 2012/13

	Date Approved	£	£	£
Approved Budget for 2012/13				5000
Paid as at 31 December 2012				
Lauderdale Football Club 2011/12 hire costs at Earlston	22.3.12		1750	
Total paid as at 31 December 2012			1,750	
Approved but not paid as at 31 December 2012	Date Approved			
Trading Post CIC 18 months Broadband for Public Hall	22.3.12	300		
Total approved but not paid as at 31 December 2012			300	
Total paid and approved as at 31 December 2012			2,050	
Remaining Budget available for 2012/13			2,950	

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LAUDER COMMON GOOD FUND

Appendix 4

PROJECTED RESERVES AT 31 MARCH 2013

Revenue Reserve

	Renwick Bequest	General	Total
	£	£	£
Balance as at 31 March 2012	104,623	34,038	138,661
Less Transfer back to 2012/13 Rent Income		-7,800	-7,800
Less projected net expenditure for 2012/13		-5,471	-5,471
	104,623	20,767	125,390
Add projected net income for 2012/13	1,000		1,000
Projected balance at 31 March 2013	105,623	20,767	126,390

Capital Reserve

	£
Balance as at 31 March 2012	96,821
Projected movement during 2012/13	0
Projected balance at 31 March 2013	96,821

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LAUDER COMMON GOOD FUND
Property Portfolio Performance
to end December 2012

Appendix 5

	Rental Income		Expenditure to end December 2012							
	1.4.12 Book Value	Current Budget	Projected Outturn	Roof	Rates	Repairs Walls & Fences	Power	Estates & Property Service	Insurance	Total
	£	£	£	£	£	£		£	£	£
Fixed Assets										
Lauder Town Hall	100,700	0	0		698		636		95	1,428
Mid Row, Lauder	3,440	0	0							0
Lauder Golf Course	58,500	0	0							0
Lauder Common Farm	510,375	7,800	7,800	1,307				70		1,376
Lauder Common Shootings	10,500	1,050	1,050							0
Lauder Common Plantations	3,850	0	0							0
Old Castleriggs Recreation Ground	0	0	0							0
Old Castleriggs Grazing	4,000	200	100							0
Raith's & Chester's Acres	8,000	210	235							0
Old Refuse Tip grazings 1 & 2	0	180	192							0
Calfward Park Grazings	3,400	210	192							0
Paddock Walls						420				420
Burnmill Area	0									0
Old Cemetery	0									
War Memorial	0									
The Avenue Toilet - Land only	600									
Public Hall - Land only	6,000									
General Property Insurance									671	671
Income & Expenditure Totals		9,650	9,569	1,307	698	420	636	70	766	3,895
Total Net Book Value	709,365									