
Monitoring Report for 9 Months to end December 2013

Report by the Chief Financial Officer

Lauder Common Good Sub Committee**24 February 2014**

1 PURPOSE AND SUMMARY

- 1.1 **This report sets out details of transactions for the 9 months to 31 December 2013, the projections of the annual outturn with variances from the current budget and the projected effect on Revenue and Capital Reserves at 31 March 2014.**
- 1.2 The only difference between the income budget and the projected outturn for the year to 31 March 2014 is in Rental income, which is showing a higher outturn than budget of £105 whilst on the expenditure side Property costs are projected to overspend by £2,100. The net effect of this is to increase the funding requirement from the Revenue Reserve by £1,995 to £5,885. Virement to adjust these budgets is being proposed.

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**
 - (b) the virements proposed 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 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 Currently Property expenditure is projected to exceed budget by £2,100 due to approved planned work at Lauderhill Cottage, which forms part of the asset shown as Lauder Common Farm and is managed and let under the agreement with the Lauderhill Sheep Company.
- 3.4 Projected rental income is £105 greater than the budget level due to full year grazing rentals.
- 3.5 Appendix 6 sets out the virement required to fund the net additional expenditure set out above.
- 3.6 Taking all of the above into consideration the Common Good Fund is projecting total expenditure of £32,090 and income of £16,977 supplemented by a draw down of £9,228 from the Revaluation Reserve, resulting in an outturn net expenditure of £5,885 being £1,995 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 and the transfers between the Renwick Bequest, the Council and Lauder Common Good Fund.

5 INVESTMENT

- 5.1 Following the Council's approval on 12th December 2013 of the Lauder Common Good Sub Committee's proposal to invest £195,000 in the Newton Fund, the transfer of funding was made. In the future, quarterly monitoring reports upon the investment performance will be included in the Finance Monitoring reports currently regularly provided to the Peebles Common Good Sub Committee.

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 quality of community life and improvements in local amenities. 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)

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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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LAUDER COMMON GOOD

Key Figures on Projections for 2013/14

		Projected Outturn for year to 31.3.14		
		£	£	£
Revenue Reserve Opening Balance				129,916
Income				
Property Rents			9,755	
Interest from funds held by SBC			1,200	
Interest from Loan to Golf Club			600	
			<u>11,555</u>	
Expenditure				
Net Central Support Services Recharge	4,340			
Property Costs	8,100			
Grants	<u>5,000</u>			
			<u>17,440</u>	
Excess of Regular Expenditure over Income				5,885
Revenue Reserve Balance before Transfers				<u>124,031</u>
Transfers				
Transfer from Renwick Bequest				<u>2,487</u>
				126,518
Transfer to Capital Reserve				
Net Surplus on Park Transactions		100,504		
Funds from Renwick Bequest		<u>2,487</u>		
				<u>102,991</u>
Projected Revenue Reserve Closing Balance				<u><u>23,527</u></u>

The Revenue Reserve Closing Balance is now projected to be £1,395 lower than initially budgeted.

Projected Outturn for 2013/14 Capital Reserve

Capital Reserve Opening Balance	96,821	
Transfers from Revenue Reserve detailed above	<u>102,991</u>	
Projected Capital Reserve Closing Balance		<u><u>199,812</u></u>

Liquid Funds

The Assets of Lauder Common Good include funds held by SBC on two different basis rather like a Common Good Fund's Current Bank Account and Deposit Account :- Revenue funds are held as accessible with no notice and generate interest at a level lower than the Capital funds which have been held on 95 days notice.

As at 31 March 2013 the balances on these accounts were:-

	£
Revenue ("Current Account")	109,404
Capital ("Deposit Account")	<u>96,821</u>
	<u><u>206,225</u></u>

The impact of the transfers between Revenue and Capital Reserves upon the above holdings is :-

	£
Revenue ("Current Account") reduced to	6,413
Capital ("Deposit Account") increased to	<u>199,812</u>
	<u>206,225</u>

A £195,000 transfer of funds into External Investments was approved and the impact of this upon the liquid funds above is as follows:-

	£
Revenue ("Current Account") remains	6,413
Capital ("Deposit Account") reduced to	4,812
External Investment	<u>195,000</u>
	<u>206,225</u>

RENWICK BEQUEST

Projections for 2013/14

	£	£
Revenue Reserve Opening Balance		105,487
Contribution to SBC Park Project	103,000	
Transfer balance to Common Good	<u>2,487</u>	
Revenue Reserve Transfer Total		<u>105,487</u>
Projected Revenue Reserve Closing Balance		<u>0</u>

SCOTTISH BORDERS COUNCIL

Appendix 2

LAUDER COMMON GOOD FUND

REVENUE BUDGET MONITORING 2012/13

Description	Proposed Current Budget for the year to 31.3.14	Actual Transactions to 31.12.13	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	6,000	1,438		4,562	8,100	2,100	
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	2,359		2,641	5,000	0	0
Total Expenditure	29,990	3,797	0	26,193	32,090	2,100	0

Description	Proposed Current Budget for the year to 31.3.14	Actual Transactions to 31.12.13	Under generation of income for year to date against full year budget	Over generation of income for year 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	9650	5,389	4,261		9,755		105
Interest received							
General Common Good	1,800	0	1,800		1,800	0	0
Renwick Bequest		0	0			0	0
Central Support Recharges Grant	5,422	0	5,422		5,422	0	0
	16,872	5,389	11,483	0	16,977	0	105
Funding from Fixed Asset Restatement Reserve	9,228	0	9,228		9,228	0	0
Total Income	26,100	5,389	20,711	0	26,205	0	105
Net Expenditure Totals	3,890				5,885		
Net Income Totals		1,592					
Net expenditure under spend & under generation of Income			5,482				
Net expenditure over spend & over generation of Income							1,995

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Appendix 3

LAUDER COMMON GOOD FUND

DONATIONS AND CONTRIBUTIONS PAID AND APPROVED 2013/14

	Date Approved	£	£	£
Approved Budget for 2013/14				5000
Paid as at 31 December 2013				
Lauderdale Community Council - Footpath maintenance	25.2.13		1459	
Lauderdale Community Council - Wellbeing Project	27.8.13		500	
Lauderdale Community Council - Repair 2 Town Signs	21.11.13		400	
Total paid as at 30 December 2013			2,359	
Approved but not paid as at 31 December 2013	Date Approved			
Trading Post CIC 18 months Broadband for Public Hall	22.3.12	300		
Grant withdrawn	27.8.13	(300)		
Total approved but not paid as at 31 December 2013			0	
Total paid and approved as at 31 December 2013			2,359	
Remaining Budget available for 2013/14			2,641	

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Appendix 4

LAUDER COMMON GOOD FUND

PROJECTED RESERVES AT 31 MARCH 2014

Revenue Reserve

	Renwick Bequest	General	Total
	£	£	£
Balance as at 31 March 2013	105,487	129,916	235,403
Less projected transfer to SBC Capital Funding	-103,000		-103,000
Less transfer to Common Good Fund	-2,487	2,487	0
Less Transfer to Capital Reserve		-102,991	-102,991
Less projected net expenditure for 2013/14		-5,885	-5,885
Projected balance at 31 March 2014	0	23,527	23,527

Capital Reserve

	£
Balance as at 31 March 2013	96,821
Projected movement during 2013/14	102,991
Projected balance at 31 March 2014	199,812

SCOTTISH BORDERS COUNCIL
LAUDER COMMON GOOD FUND
Property Portfolio Performance
to end December 2013

Appendix 5

Fixed Assets	1.4.13 Book Value	Rental Income		Expenditure to end December 2013							
		Current Budget	Projected Outturn	Roof	Rates	Electrical Repairs	Repairs Walls & Fences	Power	Estates & Property Service	Insurance	Total
	£	£	£	£	£		£		£	£	£
Lauder Town Hall		0	0		716	43		(210)	52	100	701
Mid Row, Lauder		0	0								0
Lauder Golf Course	58,500	0	0								0
Lauder Common Farm	510,375	7,800	7,800	0					26		26
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	200								0
Raith's & Chester's Acres	8,000	235	235								0
Old Refuse Tip grazings 1 & 2	0	260	260								0
Calfward Park Grazings	3,400	105	210								0
Paddock Walls							0				0
Burnmill Area	0										0
Old Cemetery	0										0
War Memorial	0										0
The Avenue Toilet - Land only	600										0
Public Hall - Land only	6,000										0
General Property Insurance										711	711
Income & Expenditure Totals		9,650	9,755	0	716	43	0	(210)	78	811	1,438
Total Net Book Value	605,225										

Budget Virement Requirement

1 Virement is required from

Department	Lauder Common Good	2013/14	2014/15	2015/16
Service		£	£	£
Budget Head	Rental Income	(105)	0	0
	Revenue Reserve Transfer	(1,995)	0	0
	Total	(2,100)	0	0

To

Department	Lauder Common Good	2013/14	2014/15	2015/16
Service		£	£	£
Budget Head	Property Costs	2,100	0	0

Because

To fund additional budget required to implement approved works at Lauderhill Cottage from an increase in the rental income budget and an increase in the funding made available from the Revenue Reserve.