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**Monitoring Report for 9 Months to end December 2013**

**Report by the Chief Financial Officer**

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**Peebles Common Good Working Group**

**5 MARCH 2014**

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**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, virement to address required budget changes and the projected effect on Revenue and Capital Reserves at 31 March 2014.**
- 1.2 It has been agreed that expenditure on the division of the ground floor of the Old Corn Exchange and the donation to the Dovecot Court sheltered Housing would be funded by a transfer from Revenue Reserve. When the budget was set no provision was made for any rental income from the Old Corn Exchange, which has now been let. No budget was set for income from sale of land but it was agreed that this income should be used to supplement the Capital Reserve.
- 1.3 It is projected that there will be a budget saving on the division of the shop and this can cover the small projected overspends on Haylodge toilet provision and Donations & Grants. The remaining saving on the shop division budget together with the unbudgeted rental income now charged will contribute to creating a projected excess of income over expenditure of £17,407, which could either return to Revenue Reserves or to be used to boost other budgets in the current year eg Grants & Donations, which is already over committed. This compares to an initial budget deficit of £701.

**2 RECOMMENDATIONS**

- 2.1 **It is recommended that the Common Good Working Group approves:-**
- (a) the financial performance for 2013/14 as shown in Appendix 2**
  - (b) the virements detailed 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, Grants paid and payable, Revenue and Capital reserves and the performance of the Property Portfolio.
- 3.3 Appendix 6 shows the requested virements to adjust the approved budgets for the year.
- 3.4 The expenditure for the provision of the toilets in Haylodge Park is projected to be £100 greater than budget and the support of the annual Remembrance Day Service in Peebles, which is charged to the Donations and Grants budget, has caused that budget to overspend by £295. Both of these budget shortfalls can be more than met from a budget reduction of £1,211 on the division of the shop budget.
- 3.5 With the completion of the division of the shop a tenant has been found and rent invoices issued for both the shop and Youth Centre. An increase of £17,292 can now be made to the rental income budget.
- 3.6 Projected income from interest on balances invested in the Council's Loan Fund is not credited until the end of the year. It should however be remembered that the final outturn is dependent on interest rates over the remainder of the year. No account has been taken of any changes which could happen to investment income following transfers of funds into the approved investment fund under the Common Good & Trust Fund Single Investment Strategy.
- 3.7 Taking all of the above into consideration the Common Good Fund is projecting total expenditure of £93,179 and income of £68,618 supplemented by a draw down of £21,648 from the Revaluation Reserve and the approved transfer from Revenue Reserve of £20,320 resulting in an outturn net income available to transfer to Revenue Reserves of £17,407 which is £18,108 greater than the budget of £701 to be transferred out of Reserves to fund an excess of expenditure over income.

### **4 REVENUE & CAPITAL RESERVES**

- 4.1 Appendix 4 shows the effect on accumulated reserves of the transfer to and from Reserves and the projected outturn for 2013/14.
- 4.2 When the budget for the year was set out it was agreed that the Revenue Reserve would fund the cost of the works to divide the ground floor of the Old Corn Exchange. Since, at the end of March 2013, the funds received from Scottish Gas for project funding at Dovecot Court Sheltered Housing had not been expended and accordingly added to the Revenue Reserve, it was also agreed that the Revenue Reserve would fund the donation in 2013/14. Accordingly at the start of the year it was agreed that £20,320 would be transferred out of the Revenue Reserve to assist to fund the current year's budget.

- 4.3 The Capital reserve has been increased by the addition of the funds received on the sale of land for £7,500.

## **5 INVESTMENTS**

- 5.1 Following the Council's approval on 12<sup>th</sup> December 2013 of the Peebles Common Good Sub Committee's proposal to invest £350,000 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.

### **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
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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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**Scottish Borders Council  
Peebles Common Good**

**Appendix 1**

**Key  
Figures**

**2013/14**

**Based upon data to 31.12.13**

£ £

<b>Projected Outturn:</b>		
Property	Rental Income	54,392
	Less Expenditure on property	<u>-8,000</u>
	Net Income	46,392
Income from other sources:-		
	Interest on Capital & Revenue Loans Funds with SBC	4,000
	Land Sale	7,500
	Cash collected from Fountain	<u>20</u>
		11,520
		<u>57,912</u>
Less Expenditure on running costs:-		
	Cost of Haylodge Toilets	-6,600
	Net Central Support Service Costs	<u>-5,121</u>
		-11,721
Excess of Income over running costs		46,191
Less Expenditure other than running costs:-		
	Alterations to Shop at Old Corn Exchange	-13,809
	Net Grants & Donations made to local bodies	<u>-27,795</u>
		-41,604
		4,587
Transfer from Revenue Reserve agreed at start of year		<u>20,320</u>
		24,907
Less transfer to Capital Reserve		<u>-7,500</u>
Projected Funds available to return to Revenue Reserve at end of year		17,407

<b>Revenue Reserve</b>		
Revenue Reserve at start of year		54,823
Less transfer to Revenue Budget at start of year		<u>-20,320</u>
		34,503
Repayment of loan by Tweed Green		<u>3,000</u>
		37,503
Add Projected funding available from net Revenue income above		<u>17,407</u>
Projected Revenue Reserve at end of year		54,910

<b>Grants &amp; Donations</b>		
Approved budget for Grants		27,500
Less approved expenditure:-		
	Prior Year Grants to be paid this year	-5,000
	Grant to be made as condition of Donation received	-2,500
	Grants approved in 2013/14 to date	<u>-20,295</u>
		-27,795
Budget over committed		295

<b>Investments &amp; Loans</b>	
External Investment - Newton Fund	350,000
Funds on Interest Free Loan to Tweedgreen until 31.3.13	3,000
Less repaid	(3,000)
	0
Revenue in SBC Loans Funds	
Funds invested in SBC Revenue Loans Fund at start of current year	45,528
Projected year end transfer in	17,407
	62,935
Transfer to external investment	(26,250)
	36,685
Capital in SBC Loans Funds	
Funds invested in SBC Capital Loans Fund at start of current year	316,250
Projected year end transfer in	7,500
	323,750
Transfer to external investment	(323,750)

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

**Appendix 2**

Description	Current Approved Annual Budget	Actual Transaction for 9 months to 31/12/13	Over / (Under) spend to date against full year budget	Projected Outturn for the year	Projected Over / (under) spend for year against full year budget
	(1)	(2)	(2)-(1) (3)	(4)	(4)-(1) (5)
	£	£	£	£	£
<b>Expenditure</b>					
Donations and contributions					
Material for Gardens at Dovecot Court Sheltered Housing	2,500	0	(2,500)	2,500	0
Approved prior to 31.3.13	5,000	5,000	0	5,000	0
For approval in 2013/14	20,000	295	(19,705)	20,295	295
	<b>27,500</b>	<b>5,295</b>	<b>(22,205)</b>	<b>27,795</b>	<b>295</b>
Property costs	8,000	5,003	(2,997)	8,000	0
Shop Division	15,020	13,809	(1,211)	13,809	(1,211)
Haylodge Toilet Provision	6,500	6,571	71	6,600	100
Central support recharges	7,827	0	(7,827)	7,827	0
Depreciation	21,648	0	(21,648)	21,648	0
Transfer to Capital Reserve	7,500			7,500	0
	<b>93,995</b>	<b>30,678</b>	<b>(55,817)</b>	<b>93,179</b>	<b>(816)</b>
<b>Income</b>					
Donations from Fountain	(20)	0	20	(20)	0
Sale of Land	(7,500)	(7,500)	15,000	(7,500)	0
Rents etc	(37,100)	(69,512)	(32,412)	(54,392)	(17,292)
Interest received	(4,000)	0	4,000	(4,000)	0
Central Support Recharges Grant	(2,706)	0	2,706	(2,706)	0
	<b>(51,326)</b>	<b>(77,012)</b>	<b>(10,686)</b>	<b>(68,618)</b>	<b>(17,292)</b>
Funding from Fixed Asset Restatement Reserve	(21,648)	0	21,648	(21,648)	0
Funding from reserves for Shop Division & Grant re DCSH funded in 2012/13	(20,320)		20,320	(20,320)	0
<b>Net (Income) / Expenditure</b>	<b>701</b>	<b>(46,334)</b>	<b>(24,535)</b>	<b>(17,407)</b>	<b>(18,108)</b>

**SCOTTISH BORDERS COUNCIL**

**PEEBLES COMMON GOOD FUND**

**Appendix 3**

**DONATIONS AND CONTRIBUTIONS PAID AND APPROVED 2013/14**

	Date Approved	£	£	£
<b>Approved budget for 2013/14</b>				27500
<b>Paid as at 31 December 2013</b>				
<u>Approved prior to 31.3.13</u>				
Eastgate Theatre Upgraded IT and integrated Box-office for online booking	6.3.13	5,000		
		-----	<b>5,000</b>	
<u>Approved in Current Year</u>				
Remembrance Sunday PA system		205		
Remembrance Sunday booklets		90		
		-----	<b>295</b>	
<b>Total paid as at 31 December 2013</b>			<u><b>5,295</b></u>	
<b>Approved but not yet paid as at 31 December 2013</b>				
<u>Approved in Current Year</u>				
Peebles Rugby Football Club - Drainage & Lighting		20,000		
		-----	<b>20,000</b>	
<u>To be made as part of income condition from Scottish Gas Network Donation</u>				
Materials for Gardens at Dovecot Court Sheltered Housing			<b>2,500</b>	
			-----	
<b>Total approved but not yet paid as at 31 December 2013</b>			<u><b>22,500</b></u>	
<b>Total paid and approved as at 31 December 2013</b>				<u><b>27,795</b></u>
<b>Budget over committed</b>				<b>295</b>



**SCOTTISH BORDERS COUNCIL**

**PEEBLES COMMON GOOD FUND**

**Appendix 4**

**PROJECTED RESERVES AT 31 MARCH 2014**

**Revenue Reserve**

**£**

Balance as at 31 March 2013	(54,823)
Less Transfer to supplement revenue budget	<u>20,320</u>
	(34,503)
Projected net income for 2013/14	(17,407)
Tweedgreen Loan repaid	<u>(3,000)</u>
<b>Projected balance at 31 March 2014</b>	<b><u>(54,910)</u></b>

**Capital Reserve**

Balance as at 31 March 2013	(366,045)
Projected movement during 2013/14	(7,500)
<b>Projected balance at 31 March 2014</b>	<b><u>(373,545)</u></b>

**SCOTTISH BORDERS COUNCIL**

**Appendix 5**

**Peebles Common Good**

**Details of Assets, Rent Generated & Property Costs. 2013/14**

	Net Book Value at 31.3.13	Annual Rental Budget	Projected Rental Outturn at 31.3.14	Property Revenue Costs to 31.12.13	Fencing	Roof repairs	Water & Rates	Electrical Works	New Tank & Pump system	Insurance	Joinery	Estates & Property team recharge
	£	£	£	£	£	£	£	£	£	£	£	£
Jedderfield Farm & Farmhouse	83,567	2,100	<b>2,100</b>									
Neidpath Grazings	11,750	300	<b>300</b>	2,945	2,945							
New Kingsland P S Site	60,000	3,500	<b>3,500</b>									
Kingsland Sub Station site	0											
Old Corn Exchange	31,160	0	<b>11,200</b>									
Old Corn Exchange - Band Hall		450	<b>225</b>	798			798					
Old Corn Exchange - Shop	145,920	110	<b>6,415</b>	-56			-76				20	
Peebles Golf Course	142,000	15,290	<b>15,290</b>									
Connor Ridge Monitoring Station	0											
Eliot's Park Grazings	100,000											
Kirklands Garages ( 8)		600	<b>600</b>									
Tweed Green	0											
Tweed Green - Garage 1	2,500		<b>0</b>									
Tweed Green - Garage 2	1,740		<b>0</b>									
Tweed Green - Garage 3	1,400		<b>0</b>									
Tweed Green Car Park site	0											
Greenside Car Park site	0											
Kingsmeadows Car Park site	0											
Kingsmeadow Rd Toilets site	800											
Gas Governor Site	750											
Haylodge Depot	36,846	8,150	<b>8,150</b>									
Land at site of 2 Haylodge Cottages	10,200											
Haylodge Park (Rent is for Pavilion site)	0	150	<b>150</b>									
Haylodge Park Play Area	0											
Haylodge Park Toilets - Site only	300			161				161				
Ninians Haugh Park Play Area	0											
Ninians Haugh Park	0											
Tweed Fishings	0											
Fotheringham Bridge	0											

**Details of Assets, Rent Generated & Property Costs. 2013/14**

	Net Book Value at 31.3.13	Annual Rental Budget	Projected Rental Outturn at 31.3.14	Property Revenue Costs to 31.12.13	Fencing	Roof repairs	Water & Rates	Electrical Works	New Tank & Pump system	Insurance	Joinery	Estates & Property team recharge
	£	£	£	£	£	£	£	£	£	£	£	£
Victoria Park Area 1 & 2	0											
Victoria Park Amenity Fues	0											
Victoria Park Tennis Courts	18,399											
Victoria Park Construction Store	0											
Cuddy Green	0											
Old Town Green	0											
Old Town Wall	0											
Land at March Street	0											
Walkershaugh ACF Site	3,900	400	412									
Walkershaugh Store	28,880	6,050	6,050	85		85						
Walkershaugh Bowling Green	400											
Railway Site, Walkershaugh	0											
Railway Embankments Walkershaugh	0											
Venlaw Amenity Ground	0											
Venlaw Quarry - stone rights only	0											
Venlaw Wood	9,500											
The Gytes - former mill lade land only	0											
George Meikle Kemp Monument	0											
Fountain outside Eastgate				566					566			
Sundries effecting more than one property												
Property Insurances				182						182		
Property Services Time recharge				322								322
	690,012	37,100	54,392	5,003	2,945	85	722	161	566	182	20	322

## PEEBLES COMMON GOOD

## Budget Virement Requirement

## 1 Virement is required from

Department	Peebles Common Good	2013/14	2014/15	2015/16
Service		£	£	£
Budget Head	Shop division	(395)		
Total		(395)	0	0

## To

Department	Peebles Common Good	2013/14	2014/15	2015/16
Service		£	£	£
Budget Head	Donations & Grants	295		
	Haylodge Toilet Provision	100		
Total		395	0	0

## Because

To use part of under spending on Property division upon the toilet provision in Haylodge Park and the costs of supporting the Remembrance Day Service charged to Donations & Grants

## 2 Virement is required from

Department	Peebles Common Good	2013/14	2014/15	2015/16
Service		£	£	£
Budget Head	Shop Division	(816)		
	Rental income	(17,292)		
Total		(18,108)	0	0

## To

Department	Peebles Common Good	2013/14	2014/15	2015/16
Service		£	£	£
Budget Head	Transfer to Revenue Reserve	18,108		
Total		18,108	0	0

## Because

To provide additional income budget for rental income and utilise the balance of the under spend on the shop division to increase the transfer to Revenue Reserve projected for the year end.