
Monitoring Report for 9 Months to end December 2013

Report by the Chief Financial Officer

Selkirk Common Good Sub Committee

25 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, virement to address required budget changes and the projected effect on Revenue and Capital Reserves at 31 March 2014.**
- 1.2 Total expenditure is projected to be in line with the approved budget for 2013/14, whilst income is projected to be higher than budgeted by £6,526 due to an unbudgeted donation, the impact of rent adjustments and a one off rental charge and the previously reported reduced interest projection.

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 virement 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 Appendix 6 sets out a virement request to create a budget for the £50 donation received from the fishing club and increase the rental income budget by £6,576 to account for the one off rent charged to the Power Company and sundry rent adjustments.
- 3.4 Projected income from interest on balances invested in the Council's Loan Fund is projected to be £100 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. 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. Appendix 6 proposes that the interest budget be reduced by £100.
- 3.5 Taking all of the above into consideration the Common Good Fund is projecting total expenditure of £114,666 and income of £74,131 supplemented by a draw down of £54,564 from the Revaluation Reserve, resulting in an outturn net income of £14,029 being £6,526 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 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 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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**Scottish Borders Council
Selkirk Common Good**

Appendix 1

Key Figures

2013/14

£

£

Projected Outturn			
Property	Rental Income		69,229
	Less Expenditure on property		-15,000
	Net Income		54,229
Add Other income sources:-			
	Interest on Capital & Revenue Loans Funds with SBC	900	
	Donations - Fishing Club annual donation	50	
			950
			55,179
Less Expenditure on running costs:-			
	Expenditure on Selkirk Hill management agreement	-10,000	
	Net Central Support Service Costs	-11,150	
			-21,150
Excess of income over running costs			34,029
Less Expenditure other than running costs			
	Grants & Donations made to local bodies	-20,000	
			-20,000
Projected Surplus available to increase Reserves			14,029

Revenue Reserve

Revenue Reserve at start of year			128,641
	Add Excess of income over expenditure for year from above		14,029
Projected Revenue Reserve at end of year			142,670

Grants & Donations

Total Grants budget for the year			20,000
	Less Prior year grants approved to be paid in 2013/14	-11,590	
	Less Grants approved in 2013/14 to date	-3,900	
			-15,490
Remaining available budget			4,510

Investments & Loans

Approved transfer to Investments externally managed			130,000
Revenue in SBC Loans Funds			
	Funds invested in SBC Revenue Loans Fund at start of current year		127,440
	Transfer to external investment		(81,394)
			46,046
Capital in SBC Loans Funds			
	Funds invested in SBC Capital Loans Fund at start of current year		48,606
	Transfer to external investment		(48,606)

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

Appendix 2

Description	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	15,000	11,992		3,008	15,000	0	0
Selkirk Hill Management Agreement	10,000	10,000		0	10,000	0	0
Central Support Services recharges	15,102	0		15,102	15,102	0	0
Administration	0	2,023	2,023		0	0	0
Depreciation/Impairment	54,564	0		54,564	54,564	0	0
Donations and contributions	20,000	9,100		10,900	20,000	0	0
Total Expenditure	114,666	33,115	2,023	83,574	114,666	0	0

Description	Current Budget for the year to 31.3.14	Actual Transactions to 31.12.13	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	62,653	74,693		12,040	69,229		6,576
Donation	0	50		50	50	0	50
Interest received	1,000	0	1,000		900	100	0
Central Support Services support grant	3,952	0	3,952		3,952	0	0
	67,605	74,743	4,952	12,090	74,131	100	6,626
Funding from Fixed Asset Restatement Reserve	54,564	0	54,564		54,564	0	0
Total Income	122,169	74,743	59,516	12,090	128,695	100	6,626

Net Income Totals	7,503	41,627			14,029		
Net expenditure under spend & under generation of Income				34,124			
Net expenditure under spend & income over generation							6,526

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

Appendix 3

	Date Approved	£	£	£
Approved 2013/14 Budget				20,000
Paid as at 31 December 2013				
Flodden 500- Interpretation boards & benches for memorial garden	31/10/2012	3,000		
Selkirk Rhinos P7 Mini Rugby Tour to Dublin	01/03/2013	700		
Selkirk Football Club Stand	01/03/2013	5,000		
Selkirk Silver Band Slow Melody Contest	04/09/2013	400		
			<hr/>	
Total paid as at 31 December 2013				9,100
Approved but not paid as at 31 December 2013				
Selkirk Chamber of Commerce- Improve prospects for retailing in town	31/10/2012	2,890		
Selkirk Christmas Illuminations Group Underwriting power points up to	23/10/2013	1,500		
Selkirk Parish Church Dry rot repairs	03/12/2013	2,000		
			<hr/>	
Total approved but not paid as at 31 December 2013				6,390
			<hr/>	
Total paid and approved as at 31 December 2013				15,490
			<hr/>	
Remaining available 2013/14 budget				<u>4,510</u>

SCOTTISH BORDERS COUNCIL

Appendix 4

SELKIRK COMMON GOOD FUND

RESERVES AT 31 MARCH 2014

Revenue Reserve	£
Balance as at 31 March 2013	128,641
Add Projected Net Surplus for 2013/14	14,029
Projected balance at 31 March 2014	<u>142,670</u>
Capital Reserve	£
Balance as at 31 March 2013	48,606
Movement during 2013/14	0
Balance at 31 March 2014	<u>48,606</u>

**SCOTTISH BORDERS COUNCIL
SELKIRK COMMON GOOD FUND
Property Portfolio Performance**

Appendix 5

2013/14

1.4.13 Book Value	Rental Income		Expenditure to 31 December 2013									
	Current Budget	Projected Outturn	Plumbing / Central Heating	Insurance	Painting	Roof	General repairs	Dykes Fencing & Drains	Common Riding related	Estates & Property Service	Total	
£	£	£	£	£	£	£	£	£	£	£	£	
Linglie Farm Farmouse & Cottages	353,029	(7,500)	(7,300)		392			375	1,886		9	2,662
Linglie Farm Shootings	7,500	(750)	(600)									0
Linglie Mast Site	68,500	(10,832)	(10,832)									0
Linglie Plantation	10,000											0
Pant Well	0											0
Pringle Park	0											0
Pringle Park Play Area	0											0
Shawburn Rd Amenity Ground	0											0
Shawburn Toll Embankment	0											0
Bog Park Recreation Ground	0											0
Rosebank Quarry	0											0
Rosebank Quarry Play Area	0											0
River Ettrick Salmon Fishing	700											0
Selkirk Golf Course	69,000											0
Selkirk Shooting Range	0	(11)	(11)									0
Selkirk Hill	20,500	(410)	(410)									0
Selkirk Town Hall Clock	0											0
Selkirk Town Hall	122,240				95		279				61	435

1.4.13 Book Value	Rental Income		Expenditure to 31 December 2013								
	Current Budget	Projected Outturn	Plumbing / Central Heating	Insurance	Painting	Roof	General repairs	Dykes Fencing & Drains	Common Riding related	Estates & Property Service	Total
£	£	£	£	£	£	£	£	£	£	£	£
Selkirk Town Hall Shops	0				0	0	465				465
Shop - 26 Market Place	22,776	(5,600)	(5,600)								0
Shop - 28 Market Place	31,160	(4,125)	(4,160)								0
Smedheugh Farm Shooting	1,750	(175)	(194)								0
South Common Farm Shootings	1,750	(175)	(194)								0
Smedheugh Farm & Farmhouse	293,867	(23,500)	(23,253)	479	416			6,565		52	7,512
Smedheugh Plantation	5,600										0
South Common Farm Farmhouse & Cottages	304,600	(8,400)	(10,300)		370					0	370
South Common Plantation Selkirk	2,400										0
Riverside Amenity Site land	75,000										0
The Green Hut	20,167	(1,175)	(1,175)								0
Shawpark Rd Development Site	37,500										0
Victoria Hall & Caretakers Flat	707,224								532		532
Victoria Park & Caravan Park	0										0
Victoria Park Pavilion site General	1,750		(5,200)		0					17	17
2,157,013	(62,653)	(69,229)	479	1,273	0	279	840	8,451	532	139	11,993

Budget Virement Requirement

1 Virement is required from

Department	Selkirk Common Good	2013/14	2014/15	2015/16
	Selkirk Common Good			
Service	General	£	£	£
Budget Head	Rents	(6,576)	0	0
	Donations	(50)		
	Total	(6,626)	0	0

To

Department	Selkirk Common Good	2013/14	2014/15	2015/16
	Selkirk Hill	£	£	£
Budget Head	Interest	100	0	0
	Revenue Reserve transfer	6,526	0	0
	Total	6,626	0	0

Because

Unbudgeted one off rental charge and adjustments to rents during the year to date required the setting of a higher budget for rent and donated income, which is unbudgeted at the start of the year now requires a budget to be set whilst reduced projected income from interest requires a reduction in the budget. The net impact is to increase the transfer to Revenue Reserve.