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JEDBURGH COMMON GOOD SUB-COMMITTEE WEDNESDAY, 4TH FEBRUARY, 2015

A MEETING of the JEDBURGH COMMON GOOD SUB-COMMITTEE will be held in the TAIT HALL, KELSO on WEDNESDAY, 4TH FEBRUARY, 2015 at 5.30 PM

J. J. WILKINSON,
Clerk to the Council,

28 February 2015

BUSINESS		
1.	Apologies for Absence.	
2.	Order of Business.	
3.	Declaration of Interests.	
4.	Minute. (Pages 1 - 2) Minute of Meeting of 26 November 2014 to be agreed and signed. (Copy attached.)	2 mins
5.	Updates. (a) Breakdown of Reserves (b) Jedburgh Golf Club	10 mins
6.	Monitoring Report for 9 months to end December 2014. (Pages 3 - 10) Consider report by Chief Financial Officer. (Copy attached.)	15 mins
7.	Applications for Financial Assistance. (Pages 11 - 12) Consider a request for financial assistance received from the Jedforest Instrumental Band.	15 mins
8.	Any Other Items Previously Circulated.	
9.	Any Other Items which the Chairman Decides are Urgent.	
	Items Likely To Be Taken In Private. Before proceeding with the private business, the following motion should be approved:-	

	“That under Section 50A(4) of the Local Government (Scotland) Act 1973 the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in the relevant paragraphs of Part 1 of Schedule 7A to the aforementioned Act.”	
10.	Minute. (Pages 13 - 14) Private Section of the Meeting of 26 November 2014 to be agreed and signed. (Copy attached.)	2 mins

NOTES

1. **Timings given above are only indicative and not intended to inhibit Members’ discussions.**
2. **Members are reminded that, if they have a pecuniary or non-pecuniary interest in any item of business coming before the meeting, that interest should be declared prior to commencement of discussion on that item. Such declaration will be recorded in the Minute of the meeting.**

Membership of Committee:- Councillors J Brown (Chairman), S Scott, R Stewart and Community Councillor Wight

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SCOTTISH BORDERS COUNCIL
JEDBURGH COMMON GOOD FUND SUB-COMMITTEE

MINUTE of MEETING of the JEDBURGH
COMMON GOOD FUND SUB-COMMITTEE
held in Council Headquarters, Newtown St
Boswells on 26 November 2014 at 4.30 p.m.

Present:- Councillors J. Brown, S. Scott, R. Stewart, Community Councillor Mr. H. Wight.
 In Attendance:- Legal and Licensing Services Manager, Capital and Investment Manager,
 Democratic Services Officer (Mrs Fiona Henderson).

Members of the Public:- 0

MINUTE

1. There had been circulated copies of the Minute of the Meeting held on 1 October 2014.

**DECISION
NOTED.**

**OUTTURN FOR 2013/14, BUDGET SETTING FOR 2014/15 &
MONITORING REPORT FOR 6 MONTHS TO END OF SEPTEMBER 2014**

2. There had been circulated copies of a report by the Chief Financial Officer which set out the outturn for 2013/14, variances from the final budget and the effect on revenue and capital reserves at 31 March 2014. It also set out a budget for the year to 31 March 2015 for which approval was sought, together with details of transactions for the 6 months to 30 September 2014 and their projected impact upon reserves at 31 March 2015. The report explained that during 2013/14 the Common Good Fund had total expenditure of £24,417 and income of £30,016 supplemented by £10,271 from the Revaluation Reserves, resulting in an outturn net revenue surplus of £5,870. Appendix 5 brought together key financial data on the revenue performance and balance sheet for 2014/15 while Appendices 6 to 9 provided details on the revenue budget in an extended format, showing grants paid and payable, revenue and capital reserves and property income and expenditure. Projected income from interest and dividends for 2014/15 incorporated the dividend distribution from the Newton Fund made in September and a second distribution in respect of dividends was expected to follow in February 2015, although interest was not added until the end of the year and was therefore dependent on interest rates over the remainder of the year. Taking all of the above into consideration the Common Good Fund projected expenditure was £40,892 and income of £28,202 supplemented by £10,271 from the Revaluation Reserve, resulting in an outturn of a net deficit of £2,419 in 2014/15. The Sub-Committee requested that the financial report be simplified in order to report its contents to other bodies i.e. Community Council. In terms of Appendix 4, the Sub-Committee queried the amount under movements during 2013/14 and the £15,870 detailed under Revenue Reserves – Excess of income over expenditure. The Capital and Investment Manager agreed to check the figures and advise Members.

DECISION

(a) AGREED that the Capital and Investment Manager check the figures in Appendix 4 and report back to Members of the Sub-Committee.

(b) APPROVED the budget for 2014/15 as shown in Appendix 6.

(c) NOTED:-

(i) the key outturn figures for 2013/14 shown in Appendix 1 to the report;

- (ii) the financial performance for 2013/14 as shown in Appendix 2;
- (iii) the Grants Analysis provided in Appendix 3 to the report; and
- (iv) the balances on Revenue and Capital Reserves at 31 March 2014 as shown in Appendix 4 to the report;
- (v) the key figures for 2014/15 shown in Appendix 5;
- (vi) the donations and contributions paid and approved 2014/15 in Appendix 7 of the report;
- (vii) Projected movement in reserves for year to 31 March 2015 in Appendix 8 of the Report; and
- (viii) the Assets, Rent Generated and Property Costs in 2014/15 in Appendix 9 of the Report.

URGENT BUSINESS

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

APPLICATION FOR FINANCIAL ASSISTANCE

4. There had been circulated copies of an Application for Financial Assistance from the Jedburgh Community Council towards providing Festive Lights in Jedburgh. The application was in the sum of £5,000 towards the costs of installing and dismantling the Festive Lights in Jedburgh. The application explained that two quotes had been sought for the works in relation to the Festive Lighting – one from Scott and Foggan Ltd Electoral Contractors in the sum of £4,500 plus VAT and the other from Kevin W Liddle Electrical Contractor in the sum of £5,150 plus VAT. The Community Council would provide £1,000 towards the costs. There followed discussion with regard to a separate Organisation being established solely to raise funds for providing Christmas lights for the Jedburgh Town Centre along the same lines as Kelso, which would allow them to seek funding from other sources and so relieve the Community Council dependence on the Common good Fund.

DECISION

AGREED to award a grant of £5,000 to the Jedburgh Community Council in respect of the installation and dismantling of Festive Lighting in Jedburgh.

PRIVATE BUSINESS

DECISION

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 they involved the likely disclosure of exempt information as defined in paragraph of Part 1 of Schedule 7A to the aforementioned Act.

SUMMARY OF PRIVATE BUSINESS

Minute

1. The Private Section of the Minute of 1 October 2014 was approved.

Jedburgh Golf Club

2. The meeting received an update on the outstanding loan to Jedburgh Golf Club.

The meeting closed at 5.30 p.m.

MONITORING REPORT FOR 9 MONTHS TO 31 DECEMBER 2014

Report by the Chief Financial Officer

JEDBURGH COMMON GOOD SUB COMMITTEE

4 February 2015

1 PURPOSE AND SUMMARY

- 1.1 This report sets out details of transactions on the Jedburgh Common Good Fund for the 9 months to 31 December 2014 and projects full year revenue income and expenditure for 2014/15 and balance sheet values at 31 March 2015.**
- 1.2 Appendix 1 provides a projected Income and Expenditure position. This shows a projected deficit of £5,081 for the year, an increase of £2,662 against approved budget due mainly to higher than budgeted grant awards.
- 1.3 Appendix 2 provides a projected Balance Sheet to 31 March 2015. This shows a decrease in the Revenue Reserve of £5,081 to fund the projected deficit. The projected usable cash revenue reserve is £78,521.
- 1.4 This Appendix also shows a projected increase in the Capital Reserve of £2,154.

2 RECOMMENDATIONS

- 2.1 It is recommended that the Common Good Sub Committee:**
 - (a) Agrees the projected out-turn in Appendix 1 as the revised budget for 2014/15.**
 - (b) Notes the projected Balance Sheet as detailed in Appendix 2.**
 - (c) Notes the current position of the investment in the Newton Fund as detailed in Appendix 3.**
 - (d) Considers whether there should be a transfer from the usable cash balance within the revenue reserve to the capital reserve invested in the Newton Fund.**

3 BACKGROUND

- 3.1 This report provides the Committee with financial information and projections for the period to 31 December 2014. The report also contains a projected balance for the Common Good Fund to the 31 March 2015.

4 FINANCIAL POSITION 2014/15

- 4.1 Appendix 1 provides detail on income and expenditure for the 2014/15 financial year. The net position for the year is a deficit of £5,081 which will be funded from the Revenue Reserves.

Income & Expenditure - Non-Property Related Income

- 4.2 Jedburgh Bowling Club has repaid £21,000 of the loan and has now agreed a repayment schedule for the balance. The interest projections have been reviewed and updated resulting in projected additional income of £338.
- 4.3 The projected out-turn includes an estimate for the interest receivable on cash deposited with the Council. This, however, does not show as an actual income until the end of the financial year as amount is dependent on interest rates and the average cash revenue balance invested with the Council's Loans Fund over the full financial year.
- 4.4 The Capital Reserve is invested in the Newton Fund and distributions from are made twice a year in September and February. A dividend of £14,979 was received by the Jedburgh Common Good Fund at 30 September 2014. The Newton Fund is currently anticipated to fully return the £25,000 budget, however, this is subject to the underlying performance of the investments held by the Fund.

Income & Expenditure - Grants and Other Donations

- 4.5 The Grants and Other Donations distributed to 31 December 2014 are shown below. These exceed the current budget by £27,000. With the possibility of additional grants being awarded before the year end it is recommended the budget should increase to £30,000. There are currently no other outstanding commitments.

Grant Recipients	Approved	£
Jedburgh Border Games – New Cannon	02/04/14	700
Jedburgh Walking Festival – General support	02/04/14	5,000
Refund from Jedburgh Walking Festival		(2,500)
Callants Festival (2014) General support	04/06/14	4,000
Jed Shed – Start up costs	04/06/14	1,500
Jedburgh Rugby Club – Boilers & Heating system	01/10/14	15,000
Jedburgh Community Council – Xmas lights	26/11/14	5,000
Total Paid to 31 December 2014		28,700
Projected Out-Turn		30,000
Remaining Unallocated Budget		1,300

Balance Sheet

- 4.6 Appendix 2 provides the balance sheet position at 31 March 2014, the projected movement in year and a projected final balance sheet position for 31 March 2015.
- 4.7 All fixed assets of the Common Good Fund are revalued every 5 years as part of the Council's rolling program. The fixed assets currently shown on the Balance Sheet are due for revaluation from 1 April 2014. The Council's Estates Section is currently finalising these and the final year end balance sheet will be adjusted to reflect these revaluations.

Usable Cash Balance within Revenue Reserve

- 4.8 The usable cash held by the fund as part of its Revenue Reserve is projected to be £78,521, an in year projected movement of £16,371. The movement is from the following:

Projected Usable Cash Revenue Balance	£	£
Opening Balance at 1.4.14		62,150
Repayment of Principal (Long Term Debtors):		
Jedburgh Bowling Club loan	21,000	
Jedburgh Golf Club loan	1,000	
Jedburgh Community Trust loan	167	
		22,167
Projected deficit for year from Income & Expenditure Statement		(5,081)
Net cash movement in Debtors/ Creditors		(715)
Projected Closing Balance at 31.3.15		78,521

In light of the projected usable cash balance in the revenue reserve being £78,521, it is proposed that the Sub-Committee consider transferring some additional cash into the Capital Reserve with the Newton Fund to improve returns and allow for capital appreciation.

Capital Reserve

- 4.9 The projections for the Capital Reserve include the unrealised profits for the Newton Fund as at 31 December 2014.

5 IMPLICATIONS

5.1 Financial

There are no further financial implications other than those explained above in Section 3.

5.2 Risk and Mitigations

There is a risk that investments in the Newton Fund may reduce in value due to market or investment performance. This risk cannot be fully mitigated, however, it is being managed through by the selection of a Fund Manager with a clear objective of preserving capital values while aiming to produce returns in line with the benchmark.

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. 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.

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 Chief Financial Officer, the Service Director Regulatory Services as Monitoring Officer, the Chief Legal Officer, the Service Director Strategy and Policy, the Chief Officer Audit and Risk, the Chief Officer HR and the Clerk to the Council have been consulted and their comments have been incorporated into the final report.

Approved by

Chief Financial Officer

Signature – David Robertson

Author(s)

Name	Designation and Contact Number
Kirsty Robb	Capital and Investments Manager Tel 01835 825249
Neil Campbell	Senior Finance Officer – Capital & Investments Tel 01835 824000 (Ext 5495)

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. We can also give information on other language translations as well as providing additional copies.

Contact us at Corporate Finance, Council Headquarters, Newtown St Boswells, Melrose, TD6 0SA. Tel: 01835 824000 Fax: 01835 825166

Email: treasuryteam@scotborders.gov.uk

JEDBURGH COMMON GOOD FUND

PROJECTED INCOME AND EXPENDITURE 2014/15

	ACTUAL TO 31/12/14	FULL YEAR APPROVED BUDGET	FULL YEAR PROJECTED OUTTURN	PROJECTED OVER/(UNDER) SPEND	Para Ref	COMMENTARY
	£	£	£	£		
<i>Non-Property Related Income</i>						
Interest receivable – from loan to Jedburgh Bowling Club	(1,399)	(1,346)	(1,684)	(338)	4.2	
Interest receivable - from loan to Jedburgh Golf Club	(112)	(224)	(224)	-		2 nd Interest Payment for 2014/15 due in January 2015
Interest on cash deposited with Council	-	(240)	(240)	-	4.3	
Newton Fund investment - Dividends receivable	(14,979)	(25,000)	(25,000)	-	4.4	Second dividend to be received at the end of February 2015
Total Non-Property Income	(16,490)	(26,810)	(27,148)	(338)		
Grants & Donations to Local Bodies	28,700	27,000	30,000	3,000	4.5	
<i>Running Costs</i>						
Central Support Service Charge	-	3,621	3,621	-		
SBC Grant towards Service Charge	-	(1,392)	(1,392)	-		
Net Running Costs	-	2,229	2,229	-		
<i>Depreciation</i>						
Depreciation charge	10,271	10,271	10,271	-		Estimate based on current Net Book Values
Contribution from Revaluation Reserve	(10,271)	(10,271)	(10,271)	-		
Net impact of depreciation on the revenue reserve	0	0	0	-		
Total Net (Surplus)/Deficit for the year	12,210	2,419	5,081	2,662		

JEDBURGH COMMON GOOD FUND

ESTIMATED SUMMARY BALANCE SHEET POSITION AS AT 31 DECEMBER 2014

	Opening Balance at 31 March 2014 £	Projected Movements in year £	Projected Balances at 31 March 2015 £
Fixed Assets:			
Land & Buildings			
Jedburgh Castle Jail	1575	(788)	787
Mary Queen Scots House	396,968	(8,799)	388,169
Provosts Room	15,580	(684)	14,896
Murray's Green Park	0	0	0
Dounehill	0	0	0
Ramparts	0	0	0
Market Cross	0	0	0
Total Fixed Assets	414,123	(10,271)	403,852
Capital in Newton Investment Fund Market Value as at 31.12.14*	873,584	2,154	875,738
Long-Term Debtors			
Loan to Jedburgh Bowling Club	70,000	(21,000)	49,000
Loan to Jedburgh Golf Club	5,500	(1,000)	4,500
Loan to Jedburgh Community Trust	5,000	(167)	4,833
Total Long-Term Debtors	80,500	(22,167)	58,333
Current Assets			
Cash deposited with SBC	62,150	16,371	78,521
Debtors	-	285	285
Total Current Assets	62,150	16,656	78,806
Current Liabilities			
Creditors	(430)	430	-
Net Assets	1,429,927	(13,198)	1,416,729
Funded by:			
Reserves			
Revenue Reserve **	(142,220)	5,081	(137,139)
Capital Reserve **	(876,257)	(2,154)	(878,411)
Revaluation Reserve	(411,450)	10,271	(401,179)
Total Reserves	(1,429,927)	13,198	(1,416,729)

Note:

* The Dividend Income on the Newtown Fund is reflected in the Income and Expenditure Statement (Appendix 1).

** Restated opening balance to align investment position.

Jedburgh Common Good

INVESTMENTS

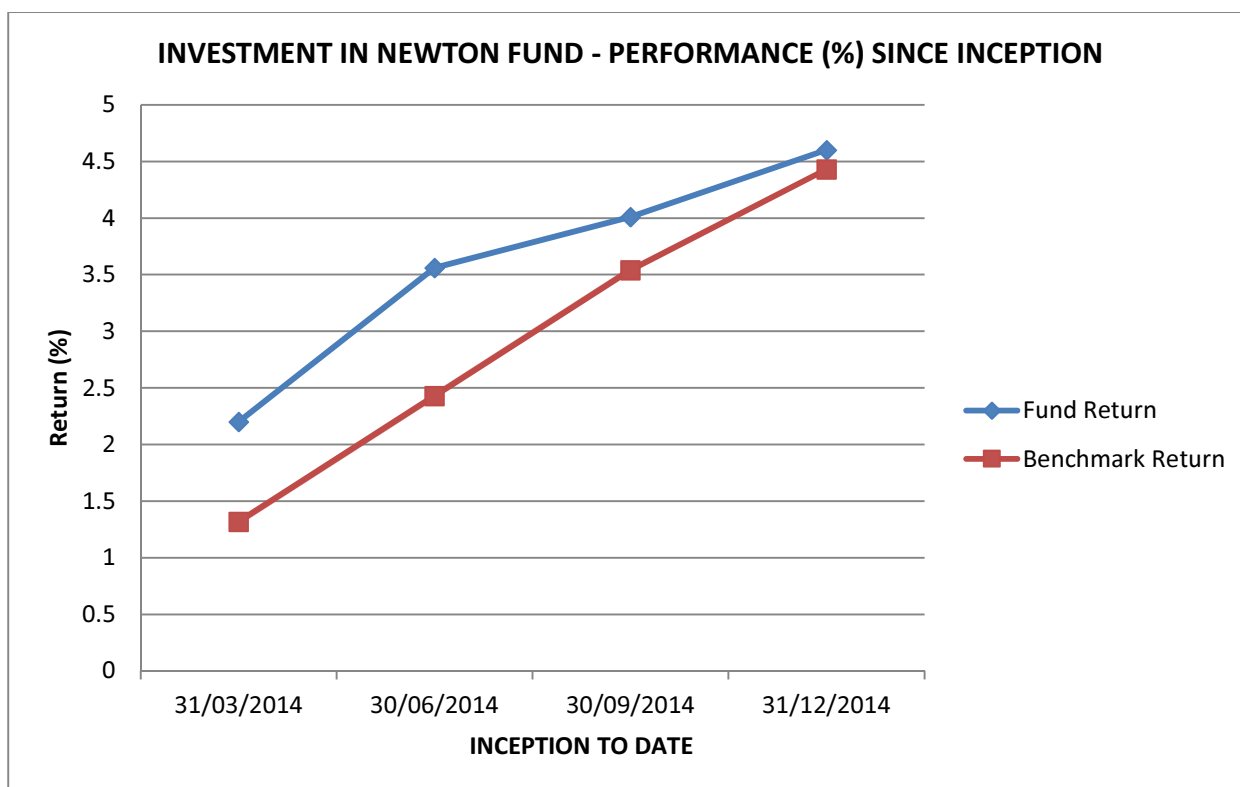
£

Investments

Investments externally managed in Newton Real Return Fund

Cost of Investment	865,174
Value at 31.3.14	873,584
Value at 30.6.14	883,986
Value at 30.9.14	869,505
Value at 31.12.14	875,738

Since inception the capital value of the investment has increased from £865,174 to £875,738. A dividend of £14,979 was received on 30 September 2014 and will be used to fund in year expenditure as part of the £25,000 investment income projected balance for 2014/15. A further dividend is expected to be received at the end of February 2015.



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*** JEDBURGH COMMON GOOD FUND
APPLICATION FOR FINANCIAL ASSISTANCE**

<p><u>Applicant Details</u> Name and Address of Applicant/Organisation:</p> <p>Telephone No:</p> <p>E-mail address:</p>	<p>Jedforest Instrumental Band 1 The Friars Jedburgh TD8 6BN</p>
<p>Address to which payment should be made:</p>	<p>As above</p>
<p><u>Activities</u> Please supply a brief description of the activities of your organisation and the benefits it brings to the local community:</p>	<p>We consist of 3 bands – a senior band, a youth band, and a learners band. We train young people in reading music and playing brass and percussion instruments. We play in public some 60 times a year, concerts, Jethart Callants Festival, church services, Kelso Civic Week, gala days, special occasions (eg Flodden and Waterloo commemorations) and other local events.</p>
<p><u>Assistance Requested</u> Please indicate the sum requested and the purpose for which it will be used:</p>	<p>We are putting together a development programme consisting of : Recruitment and tuition of young players from local primary schools. Purchase of necessary brass and percussion instruments. Renovation of a room in our band hall to form a music library. Total cost £20,000, of which we request £5,000 from the Common Good Fund. This will enable us to secure the rest of the funding from Awards for All and SBC Community Fund.</p>
<p>When will the donation be required:</p>	<p>As soon as possible (to enable it to be used to lever other funding)</p>
<p>If this is a one-off project then please give the following details – Date (s):</p>	<p>Start 1 February 2015. Finish 31 July 2016</p>

<p>Estimated total cost:</p> <p>Funds already raised by applicant's own efforts:</p> <p>Funds raised or expected to be raised from other sources (please state sources):</p>	<p>£20,000</p> <p>£15,000 : from Awards for All, SBC Community Fund. Also other bodies such as Cooperative, Youth Music Initiative.</p>
<p><u>Other information</u> If you have other information which you feel is relevant to this application please provide details including details of any previous assistance given:</p>	<p>We received a CGF grant in 1999 to renovate our new premises.</p>
<p><u>Declaration</u> I hereby make application for assistance as set out above and certify that the information I have provided is accurate</p> <p>Signed: George Burt</p> <p>Position Held: Treasurer</p> <p>Date: 28 February 2015</p>	
<p>Note: All applications from organisations MUST be accompanied by a copy of the latest audited accounts</p>	
<p>This completed form, accounts and any supporting details should be submitted to the Democratic Services Team Leader, Scottish Borders Council, Council Headquarters, Newtown St Boswells, TD6 0SA for all funds. Telephone 01835 825005</p>	

* Insert name of Fund.

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