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HAWICK COMMON GOOD FUND SUB-COMMITTEE TUESDAY, 17TH MAY, 2016

A MEETING of the HAWICK COMMON GOOD FUND SUB-COMMITTEE will be held in the
LESSER HALL, TOWN HALL, HAWICK on TUESDAY, 17 MAY 2016 at 4.00 pm

J. J. WILKINSON,
Clerk to the Council,

6 May 2016

BUSINESS		
1.	Apologies for Absence.	
2.	Order of Business.	
3.	Declaration of Interest.	
4.	Minute. (Pages 1 - 2) Consider Minute of meeting held on 31 March 2016 (copy attached),	2 mins
5.	Financial Assistance (Pages 3 - 14) To consider application for financial assistance from:- Hawick Welcome Initiative (Copy attached).	5 mins
6.	Monitoring Report for 12 months to 31 March 2016 (Pages 15 - 24) Consider report by Chief Financial Officer. (Copy attached).	10 mins
7.	Common Haugh (Pages 25 - 26) To consider:- (i) Briefing note by Asset Manager (Copy attached) (ii) Request from Hawick Flood Group for installation of barrier to both entrance and exit of car park.	
8.	Property Update To consider briefing note by Estates Surveyor and Property Officer.	10 mins
9.	Hornshole	5 mins

	To consider update on progress by Managing Solicitor.	
10.	Williestruther Reservoir Update by Property Officer.	5 mins
11.	Items Likely to be taking 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 paragraph of Part 1 of Schedule 7A of the aforesaid Act.”	
12.	Any Other Items Previously Circulated	
13.	Any Other Items which the Chairman Decides are Urgent.	
14.	Private Minute (Pages 27 - 28) Consider the private Minute of the Meeting held on 31 March 2016 (Copy attached).	2 mins
15.	Hawick Golf Club To consider update by Hawick Golf Club.	15 mins
16.	Pilmuir Farm To consider briefing note by Estates Surveyor. (To follow).	10 mins
17.	Date and Venue of Next Meeting Tuesday, 19 August 2016 at 4.00 pm in the Lesser Hall, Hawick.	

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 Sub-Committee:- Councillors G. Turnbull (Chairman), A. Cranston, S. Marshall, W. McAteer, D. Paterson and R. Smith

Mrs A Knight, Burnfoot Community Council
Mr J Little, Hawick Community Council

Please direct any enquiries to Judith Turnbull Tel No. 01835 826556
Email: judith.turnbull@scotborders.gov.uk

**SCOTTISH BORDERS COUNCIL
HAWICK COMMON GOOD FUND SUB-COMMITTEE**

MINUTE of Meeting of the HAWICK
COMMON GOOD FUND SUB-COMMITTEE
held in Council Chamber, Council
Headquarters on Thursday, 31 March, 2016
at 1.20 pm

Present:- Councillors G Turnbull (Chairman), A Cranston, W McAteer, S Marshall,
D Paterson, R Smith.
In Attendance:- Managing Solicitor (R Kirk), Estates Surveyor (J Morison), Property Officer (F
Scott), Senior Finance Officer (J Yallop), Democratic Services Officer (J
Turnbull).

1. **MINUTE**

There had been circulated copies of the Minute of the Meeting held on 17 November 2015.

DECISION

APPROVED the Minute for signature by the Chairman.

MEMBER

Councillor Cranston joined the meeting.

2. **ANCIENT ORDER OF MOSSTROOPERS**

There had been circulated copies of a letter from Mr Telfer, the Honorary Secretary of the Ancient Order of Mosstroopers, requesting permission to hold their annual Junior Gymkhana on Hawick Moor on the area beyond the paddock on Sunday, 5 June 2016. Permission was also sought to hold their annual Race Meeting on Saturday, 25 June 2016 on Hawick Moor.

DECISION

AGREED to grant permission to the Ancient Order of Mosstroopers in accordance with the usual terms, for use of Hawick Moor on Sunday, 5 June 2016 for their annual Junior Gymkhana and Saturday, 25 June 2016 for their annual Race Meeting.

3. **PRIVATE BUSINESS**

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 the Minute on the grounds that it involved the likely disclosure of exempt information as defined in paragraph 6 of Part 1 of Schedule 7A of the Act.

PRIVATE BUSINESS

4. **MINUTE**

Members approved the private section of the Minute of 16 February 2016.

5. **PILMUIR FARM**

To consider a private briefing report by the Service Director Commercial Services.

PUBLIC BUSINESS

6. URGENT BUSINESS

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, to keep Members informed.

7. WILLESTRUTHER RESERVOIR

Mr Scott informed the Sub-Committee that SEPA had taken over responsibility for reservoirs and had categorised Willestruther Reservoir as a high risk reservoir with an annual fee of £355.00 payable from 1 April 2016. In answer to a question, Mr Scott advised that there was a difference of approximately £200 to £300 between low and high risk categories. He further advised that he would investigate if a fee was payable to Scottish Borders Council and, if so, the amount payable.

DECISION

AGREED to request the Property Officer present a further update on Willestruther Reservoir at the May meeting of the Hawick Common Good Fund Sub-Committee.

(Note: Following the meeting Mr Scott advised that the cost of £355 was the cost to lodge an appeal. The cost to SEPA for managing a reservoir designated as high risk was £419 for 2016/17. The cost for medium risk was £282 and low risk £172. Therefore, there was £247 per year difference between high and low risks. This fee to SEPA was an additional cost to the Common Good since Scottish Borders Council did not charge for this duty in previous years when they were regulatory authority).

The meeting concluded at 2.00 pm



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

<p><u>Applicant Details</u></p> <p>Name and Address of Applicant/Organisation:</p> <p>Telephone No:</p>	<p>Hawick Welcome Initiative Jack Yallop Chairman</p>
<p>Address to which payment should be made:</p>	<p>Mr Jim Anderson, Treasurer,</p>
<p><u>Activities</u></p> <p>Please supply a brief description of the activities of your organisation and the benefits it brings to the local community:</p>	<p align="center">APPLICATION FOR 20 YEAR ANNIVERSARY</p> <ul style="list-style-type: none"> ▪ The Hawick Welcome Initiative was set up as a private sector led project to enhance the visitor experience, to present a positive image of the town and to provide opportunities to the town's tourism and retail sector to improve its performance. ▪ Key activities are the presence over a 10 week period of uniformed, trained Hosts to provide an on street welcome to visitors to the town, to reinforce the image of a vibrant, welcoming town, production of a brochure to promote the town & sponsoring businesses and networking with local organisations for maximum effect. ▪ Hawick Welcome Initiative is working closely with Heart of Hawick to promote the new flagship regeneration project. ▪ Heart of Hawick is featured on the <u>front page</u> of the new style brochure together with featuring the Heritage Hub and the cinema etc. ▪ An Awards for All Grant in 2009 made possible growth and diversification, with the introduction of a new style brochure with the relevant tools to do the job. ▪ New since 2012 – Hawick Welcome Campervan - Allocated space in the Common Haugh with line paint. Provides a one night only overnight stay (Free of Charge) for one year to test the viability. Project is supported by the Hawick Hosts. <p>Benefits of the Project:</p> <ul style="list-style-type: none"> ▪ HWI were winners of the Scottish Borders Award – Best Community Project 2007 ▪ HWI helps create the “feel good factor” for residents, businesses and visitors. ▪ It enhances the visitor experience in Hawick through the provision of the Hosts and brochure). In a monitoring voucher 93% of visitors gave an excellent/good rating on their impression of the town, with 7% rating it average. Research over the previous years of the project has shown the value to visitors in the Hosts service, introduced in the belief that it is the personal contact that makes a visit memorable. Local residents and visiting friends and relations also benefit from these activities. ▪ It enhances the environment through the professionalism of the Hawick Hosts in signposting and a friendly welcome.

- It encourages businesses to provide excellence in customer service and reinforce the message of Hawick being a welcoming town.
- It provides opportunities for local businesses to attract and maintain the number of visitors shopping locally and thus increase sales levels. . Businesses surveyed have regularly expressed the view that the Hawick Welcome Initiative goes some way to making a positive contribution to the town's economy.
- VisitScotland Borders assume a spend figure of £15 per day visitor. Thus the value of business accruing from the visitors met by the Hosts can be calculated as significant. No claim is made that such a spend results from contact with the Hosts. However they make a major contribution in presenting a positive first impression of Hawick.
- HWI produces a brochure on Hawick, which, in the absence of any other current visitor print, is the definitive brochure on the town. Printed in Hawick, with a print run of 16,000, it is distributed widely across the town & wider Borders to encourage visitors staying in the area to come to Hawick.
- HWI creates 4 seasonal part-time posts and provides "town ambassadors" available as a presence to help at other events.
- It enhances local pride and presents a positive image of Hawick, as evidenced by comments from visitors and businesses and by the media coverage generated. The Hawick News" has shown continued support in giving extended coverage to HWI activities, reinforcing the impact of the project to local people.
- It encourages local action and decision making in a partnership approach to improve the economy and image of the town, working with a range of local organisations to develop the project. e.g. Wilton Park, Heart of Hawick, Hawick Summer Festival and Future Hawick (railway tours) .
- A comparative study of figures over the lifetime of HWI shows increased business support and increased impact – thus contributing to the sustainability of the project which celebrates its 20th year.
- HWI thus benefits the community socially, culturally, environmentally and economically.

Assistance Requested

Please indicate the sum requested and the purpose for which it will be used:

- £1,300
- This funding will go towards a series of events celebrating the 20th Anniversary of the project and in turn support the sustainability of the brochure and hosts.
- The successful community project has been operating for 20 years providing the town with its own Welcome Brochure and 4/5 summer hosts meeting tourists into the town. The feedback from tourists is encouraging.
- The hosts signpost tourists to Heart of Hawick and all the town has to offer in Wilton Park, eateries, leisure centre, hotels/b&bs, entertainment and our knitwear shops.
- The hosts also support and engineered the Hawick Campervan Welcome where campervans stop for overnight visits parked alongside the river and enjoy evenings out and spend money in the town.
- The project has survived with good business membership from most of the town's businesses and knitwear companies.
- The initiative strives to boost the economy of Hawick Town and has seen some periods of economic decline but growth in new regeneration such as the fabulous Heart of Hawick and now the new Wilton Park improvements.
- Our hosts proudly serve the Town and this year is a 20 Year celebratory year and the group plan to have two concerts to celebrate.
- Assistance is required towards the costs of venues and artists together with a Celebration Launch of the 20 Year Anniversary Brochure.

When will the donation be required:

- April/May to allow for the plans to be put in place.

<p>If this is a one-off project then please give the following details –</p> <p>Date (s):</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>n/a</p>
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Other information

If you have other information which you feel is relevant to this application please provide details including details of any previous assistance given:

- Business sponsorship is ongoing with Heart of Hawick sponsoring the front page and demand it great for the back page sponsoring. However indications are that many businesses are positive about advertising in the brochure together with local events.
- Without a price tag on the brochure the Hosts project cannot be self sustaining and it has been mooted that a price tag would deter tourists from purchasing the brochure and thus losing out in the information contained therein and the businesses thus losing out on the tourism spend which ultimately would have a negative impact on the economy and welcoming of the town.
- In conclusion, without the Initiative, there will be less potential to increase the length of stay of visitors to the town, and local businesses in the town's tourism and retail sector will be affected. The opportunity to contribute to the promotion of the Heart of Hawick will also be missed. Any scaling down of the project will reduce the level of impact and the quality of the service provided.

Declaration

I hereby make application for assistance as set out above and certify that the information I have provided is accurate

Signed: Jack Yallop

Position Held: Chairman

Date: 30th March 2016

Note: All applications from organisations MUST be accompanied by a copy of the latest audited accounts

This completed form, accounts and any supporting details should be submitted to the relevant area office –

Scottish Borders Council Area Offices, Corporate Resources Department, Newtown Street, Duns TD11 3DT. Telephone 01361 882600. (Duns Fund).

Scottish Borders Council Area Offices, Corporate Resources Department, Albert Place, Galashiels TD1 3DL. Telephone 01896 754751. (Galashiels, Lauder and Selkirk Funds).

Scottish Borders Council Area Offices, Corporate Resources Department, High Street, Hawick TD9 9EF. Telephone 01450 375991. (Hawick, Jedburgh and Kelso Funds).

Scottish Borders Council Area Offices, Corporate Resources Department, Rosetta Road, Peebles EH45 8HG. Telephone 01721 720153. (Peebles Fund).

* Insert name of Fund.

HAWICK WELCOME INITIATIVE
Report of the management committee
and financial statements
For the year ended 31 December 2015
Company Number SC 287256

Supported By:

Hawick Common Good Fund
Scottish Borders Council
And Local Businesses

Hawick Welcome InitiativeReport of Management Committee

The Management Committee have pleasure in submitting the Report and Accounts of the Hawick Welcome Initiative for the year ended 31 December 2015.

References and Administrative Details

Company Number SC287256

Principal Office Collena
4 West Stewart Place
Hawick
Scottish Borders
TD9 8BH

Accountants Tracey Kirkpatrick & Co Accountants
Suite B, 1 North Bridge Street
Hawick
Scottish Borders
TD9 9BD

Bankers Royal Bank of Scotland
31 High Street
Hawick
Scottish Borders
TD9 9BX

The Directors of the Company who served during the period were as follows :-

John A Yallop (Appointed 8 July 2005)

Objectives and Activities

Hawick Welcome Initiative exists to improve the quality of the tourist experience in Hawick and the surrounding area and to improve the overall performance of businesses operating in Hawick's tourism / retail sector.

The organisation was incorporated on 8 July 2005 and on 1 January 2006, it took over the activities of the previously unincorporated body of Hawick Welcome Initiative.

Structure, Governance and Management

Hawick Welcome Initiative is a Company Limited by Guarantee and does not have a Share Capital. It is governed by its Memorandum and Articles of Association. The Company is organised through regular meetings of Management Committee and administered by the Secretary. In the event of the Company being wound up, members are required to contribute an amount not exceeding £1.

Review of Risk

As stated above, the Management Committee exercise control over the Company through regular meetings and with the support of the Secretary and Treasurer. Regular reports on activities and finances enable the Management Committee to mitigate exposure to the major risks.

Hawick Welcome InitiativeReport of Management Committee (Cont)**Achievements, Performance and Financial Review**

The Company's main area of activity is its provision of 'Welcome Hosts' within the town. The 'Hosts' assist tourists on their arrival and inform them of places of interest, etc.

Local businesses pay a membership fee in exchange for an advertisement in the tourism brochure, which is distributed by the 'Hosts' and local shops. This generated income in the period of £4,940.

During the period the Company received Grants totalling £4,500.

Reserves Policy

The reserves are needed to meet the working capital requirements of the Company.

Statement of Responsibilities of the Management Committee Members

The Management Committee are responsible for preparing Accounts for each financial period which give a true and fair view of the state of affairs of the Company and of the Income and Expenditure of the Organisation for that period. In preparing those Accounts, the Management Committee are required to:-

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the accounts on a going concern basis unless there are indicators to the contrary.

The management committee are responsible for keeping proper accounting records, for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Examiners

The Company is exempt from Audit and has appointed Tracey Kirkpatrick & Co Accountants as Independent Examiners.

By Order of the Management Committee

Secretary
Collena
4 West Stewart Place
Hawick
Scottish Borders
TD9 8BH

8 March 2016

Independent Examiners Report ToHawick Welcome Initiative

We have examined, without carrying out an audit, the Accounts for the year ended 31 December 2015 set out on pages 4 to 7.

Respective Responsibilities of Management Committee and Independent Examiners

As described on page 1, the Management Committee Members are responsible for the preparation of the Accounts and they believe that the Organisation is exempt from an audit. It is our responsibility to examine the Accounts and, based on our examination to report our opinion, as set out below, to you.

Basis of Opinion

Our examination consisted of comparing the accounts and the accounting records kept by the Management Committee and making such limited enquiries of the Management Committee Members as we considered necessary for the purpose of this report.

The examination was not an audit conducted in accordance with Auditing Standard. Accordingly we do not express an audit opinion on the accounts. Therefore our examination does not provide any assurance that the accounting records are free from material misstatement.

Opinion

In our opinion, according to the best of our knowledge and belief and in accordance with the information and explanation given to us, the Financial Statements and notes thereon have been properly prepared from the Management Committee's records and have been prepared in accordance with the Companies Act 2006.

Tracey Kirkpatrick & Co Accountants
Suite B, 1 North Bridge Street
Hawick
Scottish Borders
TD9 9BD

8 March 2016

Hawick Welcome InitiativeIncome & Expenditure Account
Year Ended 31 December 2015

	£	2015 £	£	2014 £
Income:				
Membership Fees Received				
Other Income		4,940		6,300
Grants Received -		2,773		1,013
Hawick Common Good Fund	2,500		2,500	
Jazz Concert Grant	-		5,000	
Scottish Borders Council	2,000		-	
		<u>4,500</u>	<u>-</u>	<u>7,500</u>
TOTAL INCOME		12,213		14,813
Expenditure:				
Wages	3,313		3,762	
Management Fees	1,200		1,200	
Administration Fees	-		800	
Other Expenses	7,880		10,438	
		<u>12,394</u>	<u>16,200</u>	
NET SURPLUS / (DEFICIT) FOR PERIOD		<u>(181)</u>		<u>(1,387)</u>

CONTINUING OPERATIONS

The company's activities commenced on 1 January 2006.

TOTAL RECOGNISED GAINS AND LOSSES

The Company has no recognised gains and losses other than the profits / (loss) for the current period or previous periods.

Hawick Welcome Initiative

Balance Sheet

As At 31 December 2015

	Notes	2015 £	2014 £
Fixed Assets:			
Plant & Equipment	2	608	760
Current Assets:			
Prepayments		317	161
Bank		2,050	1,014
		<u>2,975</u>	<u>1,936</u>
Creditors: amounts falling due within	3	<u>(1,470)</u>	<u>(250)</u>
NET ASSETS		<u><u>1,505</u></u>	<u><u>1,686</u></u>
Represented By:			
GENERAL RESERVE	4	<u><u>1,505</u></u>	<u><u>1,686</u></u>

For the year ended 31/12/15 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies. No members have required the company to obtain an audit of its accounts the year in question in accordance with section 476. The director's acknowledge their responsibility for: (i) Ensuring the company keeps accounting records which comply to the Companies Act 2006; and (ii) Preparing accounts which give a true and fair view of the state of affairs of the company as at the end of its financial year, and of its profit and loss for the financial year in accordance with the Companies Act 2006 and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.

These accounts have been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

The Accounts were approved by the Management Committee on 8 March 2015 and were signed on its behalf by

.....
- Director

Hawick Welcome InitiativeNotes To The Accounts
Year Ended 31 December 20151. **Accounting Policies****Basis of Accounting**

The Accounts have been prepared in accordance with the Companies Act 2006, in accordance with the special provisions applicable to companies subject to the small companies' regime.

Turnover

Turnover represents the total invoice value, excluding value added tax, of membership fees charged during the year.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and Machinery - 20% on reducing balance

2. **Fixed Assets****Plant and Equipment**

	Plant and equipment £	Total £
Cost		
At 01 January 2015	2,850	2,850
Additions	-	-
At 31 December 2015	<u>2,850</u>	<u>2,850</u>
Depreciation		
At 01 January 2015	2,090	2,090
Additions	152	152
At 31 December 2015	<u>2,242</u>	<u>2,242</u>
Net book value		
At 31 December 2015	<u>608.32</u>	<u>608.32</u>
At 31 December 2014	<u>760.40</u>	<u>760.40</u>

3. **Creditors**

Management Fees to 31 December 2015	1,200.00
Accountancy Fee to 31 December 2015	270.00
Creditors	<u>1,470.00</u>

4. **General Fund**

Surplus as at 31st December 2014	1,686.21
Surplus (Deficit) for period	(181)
Balance as at 31st December 2015	<u>1,505.19</u>

Hawick Welcome Initiative

Income & Expenditure Account
Year Ended 31 December 2015

	HWI 2015	HCW 2015	TOTAL 2015	TOTAL 2014
Income:				
Grant Received - Hawick Common Good Fund	£ 2,500	£ -	£ 2,500	£ 2,500
Grant Received - Scottish Borders Council	2,000	-	2,000	-
Grant Received - Jazz Concert	-	-	-	5,000
Donation	-	-	-	135
Donation - Hawick Flower Show	-	-	-	-
Membership Fees	4,940	-	4,940	6,300
Printing / Copying	-	-	-	-
Socha Concert	1,880	-	1,880	-
Socha Concert - Raffle	156	-	156	-
Socha Concert - Bar	440	-	440	-
Coffee Morning	296	-	296	-
Coffee Morning - Quiz	-	-	-	-
Common Riding - Raffle	-	-	-	90
Jazz Concert	-	-	-	608
Jazz Concert - Bar	-	-	-	181
Bank Interest	-	-	-	0
	<u>£ 12,213</u>	<u>£ -</u>	<u>£ 12,213</u>	<u>£ 14,813</u>
Expenditure:				
Wages - Welcome Hosts	£ 3,313	£ -	£ 3,313	£ 3,762
Management Fees	1,200	-	1,200	1,200
Professional Fees - Planning	-	-	-	-
Administration Fees	-	-	-	800
Hawick Welcome Broucher & General Printing	4,728	-	4,728	4,728
Printing / Copying Costs	-	-	-	-
Treasurer's Honorarium	250	-	250	250
Chairman's Honorarium	-	-	-	-
Socha Concert Expenses	1,971	-	1,971	-
Socha Concert - Bar Expenses	-	-	-	-
Jazz Concert Expenses	-	-	-	3,749
Jazz Concert - Bar Expenses	-	-	-	40
Coffee Morning Expenses	-	-	-	-
Postage, Stationery & Advertising	43	-	43	416
Signage and Bunting	-	-	-	-
Insurance	320	-	320	556
Uniforms & Interviews	59	-	59	175
Accountancy	300	-	300	250
Depreciation	152	-	152	190
Bad Debts	-	-	-	-
Miscellaneous	58	-	58	83
	<u>£ 12,394</u>	<u>£ -</u>	<u>£ 12,394</u>	<u>£ 16,200</u>
NET SURPLUS FOR THE YEAR	<u>-£ 181</u>	<u>£ -</u>	<u>-£ 181</u>	<u>-£ 1,387</u>

This page does not form part of the statutory financial statements

Monitoring Report for 12 Months to 31 March 2016

Report by the Chief Financial Officer
Hawick Common Good Sub Committee
17 May 2016

1 PURPOSE AND SUMMARY

- 1.1 **This report provides the details of the income and expenditure for the Hawick Common Good Fund for the year 2015/16 including balance sheet values as at 31 March 2016 and proposed budget for 2016/17.**
- 1.2 Appendix 1 provides the actual income and expenditure for 2015/16. This shows a surplus of £27,005 and a projected surplus of £49,504 for 2016/17.
- 1.3 Appendix 2 provides a balance sheet value to 31 March 2016. It shows a decrease in the reserves of £18,113 due mainly to the depreciation adjustment.
- 1.4 Appendix 3 provides a breakdown of the property portfolio showing actual rental income and property expenditure to 31 March 2016 where applicable and the 2015/16 depreciation charge.
- 1.5 Appendix 4 shows the value of the Newton Fund to 31 March 2016.

2 RECOMMENDATIONS

- 2.1 **It is recommended that the Common Good Sub Committee:**
- (a) **Notes the actual income and expenditure for 2015/16 in Appendix 1.**
 - (b) **Agrees the proposed budget for 2016/17 as shown in Appendix 1.**
 - (c) **Notes the final balance sheet value as at 31 March 2016 in Appendix 2.**
 - (d) **Notes the summary of the property portfolio in Appendix 3.**
 - (e) **Notes the current position of the investment in the Newton Fund in Appendix 4.**

3 BACKGROUND

3.1 This report provides the Committee with financial information for the period to 31 March 2016 and proposed budgets for 2016/17. The report also contains a projected balance sheet for the Common Good Fund to 31 March 2017.

4 FINANCIAL POSITION 2015/16

4.1 Appendix 1 provides detail on income and expenditure for the 2015/16 financial year as well as a proposed budget for 2016/17.

4.2 **Income & Expenditure – Rental Income**

Rental income for 2015/16 is shown on Appendices 1 & 3 with Appendix 3 detailing the annual rental income by individual property.

4.3 **Income & Expenditure – Non-Property Related Income**

The final out-turn shows a total of £19,204 and includes the balance of a contribution from the Community Council for work at Williestruther (£8,700), a donation for bunting (£25), Squirrel Control (£1,461) and Pay & Display (£296). Also included here are Newton Fund dividends and the interest received on cash deposited with the Council. The annual rate of interest applied to the cash deposits is 0.36%.

4.4 The capital reserve is invested in the Newton Fund and distributions are made twice in the year in September and February. Dividends of £8,139 were received in total to 31 March 2016. The proposed budget for 2016/17 is based on a distribution of 2.0% of the Market Value at 31 March 2015.

4.5 **Income & Expenditure – Property Expenditure**

a) The property expenditure to 31 March 2016 is detailed in Appendix 3 by property. The positive variance against budget is a direct result of the planned silage works at Pilmuir Farm not going ahead.

b) The proposed Budget for 2016/17 includes general repair figures of £5,000 for St Leonard's, £10,000 for Pilmuir and £35,000 for the other Hawick properties. Further budget may be required for specific projects which will be reported and requested throughout the year once more detailed costs are established.

4.6 **Income & Expenditure – Grants & Other Donations**

The grants and other donations distributed to 31 March 2016 are shown below. A decision regarding the request from the Escape Youth Café for funding will be discussed at the next Common Good Sub Committee meeting once final audited accounts and other information requested from the organisation has been received. Any resulting grant awarded will impact on the 2016/17 accounts.

Grant Recipients	Approved	£
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Approved and Paid to 31 March 2016		
Hawick Honorary Provost Running Costs	26/05/15	2,000
History of Hawick & District during WW1	18/08/15	600
Burnfoot CC-Remembrance Grdn Wilton Cemetery	18/08/15	2,000
Burnfoot CC-Remembrance Grdn Wilton Cemetery	18/08/15	190
Hawick Reivers Association – Running Costs	17/15/15	2,500
Salvation Army Xmas Carol Service 2014 Hall Hire	18/11/14	107
Hawick Golf Course Nominal Rent Contribution	16/02/16	9,200
Drumlanrig PS – Swimming Lessons	16/02/16	325
Total Paid to 31 March 2016		16,922
Approved but not yet paid		
-		0
Total Grants Approved		16,922
2015/16 Budget		29,200
Unallocated Budget		12,278

4.7 **Income & Expenditure – Depreciation Charge**

This is not a cash transaction and is off-set by a corresponding contribution from the Revaluation Reserve. There was a variance of £3,200 due to the St Leonard's Hut being fully depreciated but land still valued at £3,200.

4.8 Appendix 2 provides the balance sheet value as at 31 March 2016 and a projected balance at 31 March 2017.

4.9 **Balance Sheet – Fixed Assets**

All fixed assets of the Common Good Fund are revalued every 5 years as part of the Council's rolling programme. The fixed assets were revalued at 1 April 2014. Appendix 3 shows the values of the individual properties at 31 March 2015, depreciation charges 2015/16 and value at 31 March 2016.

4.10 **Balance Sheet – Newton Investment**

- a) The investment market during 2015-16 has been driven by uncertainty. Equity and bond markets have been pushed and pulled by a concoction of concerns: the outlook for the economy in China, the Greek debt crisis, falling oil prices and huge amounts of uncertainty regarding US interest rates. In the last three months the uncertainty of general global economic prospects, continued sliding of commodity prices and worsening corporate profits have only added to these concerns.
- b) Global equity markets experienced falls of up to 20% from their peak levels, but began to recover in February and in pound sterling terms achieved aggregate gains over the three months to the end of March.
- c) However, over the full year to 31 March 2016, this Qtr. 4 rally did not quite get the value of the Newton Fund back to its March 2015 level, resulting in a 1.5% fall in like for like market value over the year. Nevertheless, the closing market value of Hawick Common Good investments at 31 March 2016 yielded a 4% unrealised gain since inception. Common Good Fund dividends received in 2015-16 amounted to £8,139, approximately 2.3% of funds invested.

- d) Appendix 4 shows the performance of the Newton Fund since inception.

4.11 Balance Sheet – Cash Balance

The cash held by the fund is £129,825, an in year net decrease of £4,579. The cash movement for 2015/16 is as follows:

Cash Balance	£
Opening Balance at 1 April 2015	134,404
Transfer to Newton Fund	0
Surplus for year from Income & Expenditure Statement	27,005
Net cash movement in Debtors/Creditors	(31,584)
Closing Balance at 31 March 2016	129,825

4.12 Balance Sheet – Capital Reserve

The Capital Reserves include the unrealised gain for the Newton Fund as at 31 March 2016.

5 IMPLICATIONS

5.1 Financial

There are no further financial implications other than those explained above in Section 4.

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 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 and 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 Carbon Management

There are no effects on carbon emissions arising from the proposals contained in this report.

5.6 Rural Proofing

There are no effects on rural proofing arising from the proposals contained in this report.

5.7 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 Monitoring Officer, the Chief Legal Officer, the Chief Officer Audit and Risk, the Chief Officer HR 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)

Kirsty Robb John Yallop	Capital and Investments Manager Tel: 01835 825249 Senior Finance Officer – Treasury & Investments Tel: 01835 824000 Extn 5933
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Background Papers:

Previous Minute Reference: Hawick Common Good Committee 16 February 2016

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Contact us at Corporate Finance, Council Headquarters, Newtown St Boswells, Melrose, TD6 0SA.

Tel: 01835 824000

Fax: 01835 825011

Email: treasuryteam@scotborders.gov.uk

HAWICK COMMON GOOD FUND

INCOME AND EXPENDITURE 2015/16

	Actuals at 31/03/16 £	Full Year Budget 2015/16 £	Over/ (Under) Spend 2015/16 £	Proposed Budget 2016/17 £	Para Ref	Commentary
Property Income						
Rentals Receivable	(103,637)	(104,361)	724	(109,850)	4.2	Variance due to year end corrections
Non-Property Related Income						
Interest on Cash deposited with Council	(584)	(300)	(284)	(584)	4.3	Calculated at 0.36%
Newton Fund Investment – Dividends Rec'd	(8,139)	(8,979)	840	(7,439)	4.4	2016/17 Calculated at 2.0%
Other Income	(10,482)	(10,186)	(296)	(296)	4.3	
Total Income	(122,842)	(123,826)	984	(118,169)		
Property Expenditure						
Property Costs – General	47,380	49,423	(2,043)	35,000	4.5	Pilmuir work not carried out
Property Costs – Pilmuir	20,490	72,225	(51,735)	10,000	4.5	
Property Costs – St Leonards	5,880	5,532	348	5,000	4.5	
Total Property Expenditure	73,750	127,180	(53,430)	50,000		
Grants & Other Donations	16,922	29,200	(12,278)	13,500	4.6	
Running Costs						
Central Support Service Charge	10,841	10,841	0	10,841		
SBC Grant towards Service Charge	(5,676)	(5,676)	0	(5,676)		
Net Running Costs	5,165	5,165	0	5,165		
Depreciation						
Depreciation Charge	39,592	42,792	(3,200)	39,592	4.7	St Leonards Hut
Contribution from Revaluation Reserve	(39,592)	(42,792)	3,200	(39,592)		
Net impact of Depreciation on Rev Res	0	0	0	0		
Total Net (Surplus)/Deficit for year	(27,005)	37,719	(64,724)	(49,504)		

HAWICK COMMON GOOD FUND

PROJECTED BALANCE SHEET VALUE AT 31 MARCH 2016

	Opening Balance at 01/04/15 £	Movement in Year 2015/16 £	Closing Balance at 31/03/16 £	Projected Balances at 31/03/17 £
Fixed Assets				
Land & Buildings	3,674,859	(39,592)	3,635,267	3,595,675
Heritable Assets	3,000	0	3,000	3,000
Feu Duties	18	0	18	18
Total Fixed Assets	3,677,877	(39,592)	3,638,286	3,598,694
Capital in Newton Investment Fund				
Investment in Newton Fund	359,171	0	359,171	359,171
Unrealised Gains/(Loss)	18,320	(5,525)	12,795	12,795
Market Value	377,491	(5,525)	371,966	371,966
Current Assets				
Debtors	6,812	(2,156)	4,656	4,656
Cash deposited with SBC	134,404	(4,579)	129,825	179,329
Total Current Assets	141,216	(6,735)	134,481	183,985
Current Liabilities				
Creditors	(21,472)	19,821	(1,651)	(1,651)
Receipts in Advance	(19,197)	13,919	(5,278)	(5,278)
Total Current Liabilities	(40,668)	33,740	(6,929)	(6,929)
Net Assets	4,155,916	(18,113)	4,137,804	4,147,716
Funded by: Reserves				
Revenue Reserve	(100,547)	(27,005)	(127,552)	(177,056)
Capital Reserve	(513,326)	5,525	(507,801)	(371,966)
Revaluation Reserve	(3,542,043)	39,592	(3,502,451)	(3,598,694)
Total Reserves	(4,155,916)	18,113	(4,137,804)	(4,147,716)

HAWICK COMMON GOOD FUND

PROPERTY PORTFOLIO PERFORMANCE FOR 2015/16
(Actual Income and Expenditure to 31 March 2016)

Fixed Assets	Net Book Value at 31/03/15	Deprec'n Charge 2015/16	Net Book Value at 31/03/16	Actual Rental Income 2015/16	Actual Property Expenditure at 31/03/16				
					Repairs	Rates, Water & Power	Ins	Other	Total
	£	£	£	£	£	£	£	£	£
General									
Moat Park	0	0	0	0	0	0	0	0	0
Moat Park Playground	0	0	0	0	0	0	0	0	0
Hawick Golf Course	73,000	0	73,000	9,200	0	0	0	0	0
Acreknowe Reservoir (Part)	0	0	0	0	206	0	0	0	206
Williestruther Loch	4,500	0	4,500	381	12,167	0	0	785	12,952
Williestruther Cottage	175,371	4,629	170,742	5,702	1,625	0	60	0	1,686
Lochian Street Store	17,537	463	17,074	2,546	0	0	83	0	83
Common Haugh Car Park	82,000	0	82,000	7,695	1,403	3,221	0	90	4,714
Underhaugh	0	0	0	0	0	0	0	0	0
Hawick Moor Racecourse & Bldgs	33,760	1,240	32,520	175	6,011	0	1,477	125	7,613
Hawick Moor Shootings	4,000	0	4,000	324	0	0	0	0	0
Woodend Grazings (West)	1,500	0	1,500	75	0	0	0	0	0
Millpath Stables	21,940	560	21,380	0	863	0	2	0	865
Ca'Knowe Monument	0	0	0	0	0	0	0	0	0
Volunteer Park & Stand	325,067	14,933	310,134	1,750	1,026	0	152	356	1,534
Hawick Burgh Woodlands	99,000	0	99,000	0	0	0	0	661	661
Woodend Grazings (East)	1,000	0	1,000	75	0	0	0	0	0
Hawick Golf Club Sub Stn Site	750	0	750	75	0	0	0	0	0
Common Riding	0	0	0	0	1,524	0	0	0	1,524
Haggis Ha/Burnflat Wall	0	0	0	0	1,005	0	0	0	1,005
Williestruther Path	0	0	0	0	7,951	0	0	0	7,951
100 Stairs and Adjacent Land	0	0	0	0	0	0	0	0	0
Property Expenditure (General)	-	-	-	-	889	2,198	-37	3,534	6,584
General Sub Total	839,425	21,825	817,600	27,998	34,671	5,419	1,738	5,552	47,380

Fixed Assets	Net Book Value at 31/03/15	Deprec'n Charge 2015/16	Net Book Value at 31/03/16	Actual Rental Income 2015/16	Actual Property Expenditure at 31/03/16				
					Repairs	Rates, Water & Power	Ins	Other	Total
	£	£	£	£	£	£	£	£	£
Pilmuir									
Pilmuir Farm	1,796,251	3,749	1,792,502	45,000	10,339	0	1,225	0	11,564
Pilmuir Farm Cottage	156,400	3,600	152,800	7,200	3,153	0	0	0	3,153
Pilmuir Farm Shed & Silage Pit	0	0	0	0	4,150	0	0	500	4,650
Property Expenditure (General)	-	-	-	-	0	0	0	1,123	1,123
Pilmuir Sub Total	1,952,651	7,349	1,945,302	52,200	17,642	0	1,225	1,623	20,490
St Leonards									
St Leonards Farmhouse Buildings	251,111	4,889	246,222	8,897	1,464	0	454	0	1,918
St Leonards Cottage & Park	209,471	5,529	203,942	5,400	1,642	0	78	0	1,720
St Leonards Hut	3,200	0	3,200	0	1,381	0	31	0	1,412
St Leonards Grazings (Lot 1)	135,000	0	135,000	1,352	0	0	0	0	0
St Leonards Horse Gallop	17,000	0	17,000	600	0	0	0	0	0
St Leonards Grazings (Lot 2)	267,000	0	267,000	7,191	0	0	0	0	0
Property Expenditure (General)	-	-	-	-	482	0	0	349	831
St Leonards Sub Total	882,782	10,418	872,364	23,440	4,968	0	563	349	5,880
Total	3,674,858	39,592	3,635,266	103,638	59,793	5,419	3,526	7,523	73,750

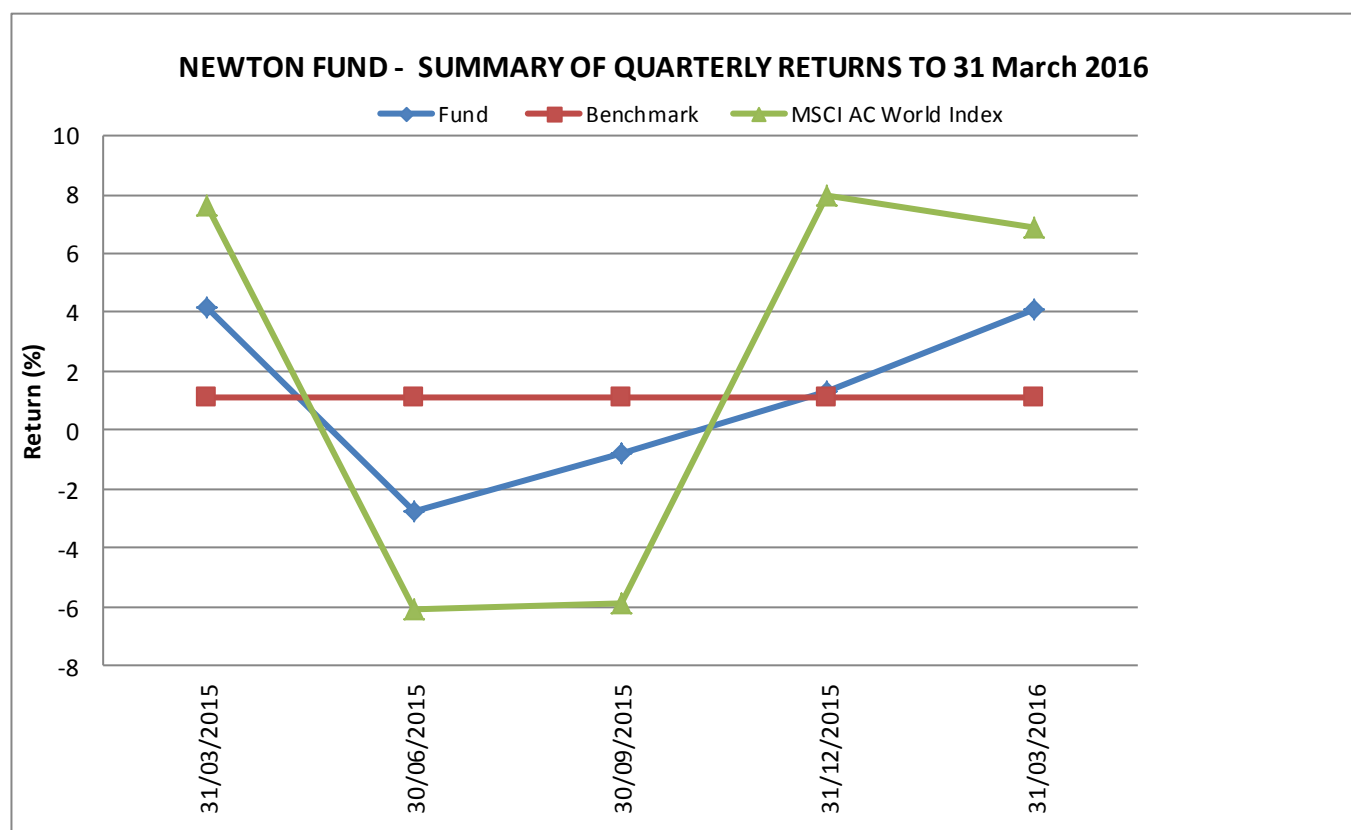
HAWICK COMMON GOOD FUND

INVESTMENTS EXTERNALLY MANAGED IN NEWTON REAL RETURN FUND

Cost of Investment	Units	£
13 December 2013	102,901	192,394
17 January 2014	30,010	56,884
24 January 2014	29,680	56,036
3 February 2014	28,602	53,857
Total Invested to 31 March 2016	191,193	359,171

Value of Investment	£
31 March 2015	377,491
30 June 2015	366,766
30 September 2015	356,326
31 December 2015	361,164
31 March 2016	371,966
Increase/(Decrease) from Total Cash Invested	12,795

The following chart shows the Newton Funds quarterly return performance against the Benchmark and against an equity performance index (MSCI AC World Index).



HAWICK COMMON GOOD FUND SUB-COMMITTEE 17 MAY 2016

COMMON HAUGH, HAWICK

The purpose of this note is to assist the Members in their discussions relative to this agenda item.

Scottish Borders Council is to undertake repairs to the surface of the car park area at the Common Haugh, Hawick, as part of the repair programme being carried out under the Bellwin Scheme. To be eligible for inclusion within Bellwin, any repairs must relate to damage caused as a direct result of the extreme weather during December and January and in that regard a number of individual areas, totalling 675 sq. metres, have been identified within the car park area.

Whilst undertaking the assessment under Bellwin, the opportunity was taken to assess all of the car park surface to identify if there were any other areas which would benefit from repair and this exercise has identified a further 475 sq. metres which could be repaired but could not be included within the Bellwin claim. The majority of the additional repairs are towards the pedestrian entrance near at the Burns Club, with approximately 75 sq. metres being near the Lawson Footbridge. The permanent repair to these additional areas has been priced at £14,000.

The Memorandum of Understanding, (MOU), between The Hawick Common Good Fund and Scottish Borders Council, confirms that the car park will be maintained by Roads Authority of Scottish Borders Council *“on a prioritisation process, to a similar standard as the Roads Authority applies across its entire adopted road network”*. The MOU further confirms that *“the Roads Authority shall only be financially liable for any repair works they identify. If the Hawick Common Good Fund require such repair works to be carried out to a higher standard the difference in costs shall be funded by the Hawick Common Good Fund”*.

It is estimated that for the Roads Authority to undertake the repairs to the additional areas, *“to a similar standard as would be applied across its entire adopted road network”*, would be in the region of £500. This therefore would be the only financial contribution from the Roads Authority if it was the Hawick Common Good Committee decision to undertake the repairs to a higher standard.

To allow the Hawick Common Good Committee to make a decision, and in recognition of the time of year, the repair works are programmed to be undertaken during the second half of June, after Hawick Common Riding.

David Richardson
Asset Manager
Scottish Borders Council

10th May 2016

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