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## SELKIRK COMMON GOOD FUND SUB COMMITTEE WEDNESDAY, 18 FEBRUARY, 2015

A MEETING of the SELKIRK COMMON GOOD FUND SUB COMMITTEE will be held in  
COMMITTEE ROOM 4, COUNCIL HEADQUARTERS, NEWTOWN ST BOSWELLS on  
WEDNESDAY, 18TH FEBRUARY, 2015 at 3.00 PM

J. J. WILKINSON,  
Clerk to the Council,

11 February 2015

<b>BUSINESS</b>		
1.	<b>Apologies for Absence</b>	
2.	<b>Order of Business</b>	
3.	<b>Declarations of Interest</b>	
4.	<b>Minute</b>  Minutes of the following meetings to be approved and signed by the Chairman:-	2 mins
	(a) <b>29 October 2014</b>	(Pages 1 - 4)
	(b) <b>2 December 2014 (Special)</b> (Copies attached)	(Pages 5 - 8)
5.	<b>Financial Monitoring Report</b> (Pages 9 - 16)  (Copy attached)	10 mins
6.	<b>Lease of Golf Course to Selkirk Golf Club.</b> (Pages 17 - 32)  Consider report by Service Director Commercial Services. (Copy attached.)	5 mins
7.	<b>General Property Update.</b>	20 mins
8.	<b>Any Other Items Previously Circulated</b>	
9.	<b>Any Other Items which the Chairman Decides are Urgent</b>	
10.	<b>Date of next meeting.</b>	

	10 June 2015	
11.	<p><b>Item Likely To Be Taken In Private.</b></p> <p>Before proceeding with the private business, the following motion should be approved:-</p> <p>“That under Section 50A(4) of the Local Government (Scotland) Act 1973 the public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in the relevant Paragraphs of Part 1 of Schedule 7A to the aforementioned Act.”</p>	
12.	<p><b>Minute</b> (Pages 33 - 34)</p> <p>Private Section of Minute of the meeting of 2 December 2014 to be approved and signed by the Chairman. (Copy attached.)</p>	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.**

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**Membership of Committee:-** Councillors G Edgar (Chairman), M Ballantyne, V Davidson and T Combe

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Please direct any enquiries to Fiona Walling 01835 826504  
Email:- [fwalling@scotborders.gov.uk](mailto:fwalling@scotborders.gov.uk)

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**SCOTTISH BORDERS COUNCIL**  
**SELKIRK COMMON GOOD FUND SUB COMMITTEE**

MINUTE of MEETING of the SELKIRK COMMON GOOD FUND SUB COMMITTEE held in the Council Chamber, Council Headquarters, Newtown St Boswells on Wednesday, 29 October 2014 at 3.00 p.m.

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Present: Councillors G. Edgar (Chairman), M. Ballantyne (para 2), V. Davidson.  
Community Councillor T. Combe.

In attendance: Legal and Licensing Services Manager (A. Isles), Solicitor (J. Webster), Property Manager (S. Mawson), Estates Surveyor (J. Morison), Cultural Services Manager (I. Brown), Corporate Finance Manager (Lynn Mirley), Democratic Services Officer (F. Walling).

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**ORDER OF BUSINESS**

1. The Chairman varied the order of business as shown on the agenda and the Minute reflects the order in which the items were considered at the meeting.

**MINUTE**

2. There had been circulated copies of the Minute of 2 September 2014.

**DECISION**

**APPROVED the minute for signature by the Chairman.**

**MEMBER**

Councillor Ballantyne joined the meeting.

3. With reference to paragraph 7 of the Minute of 2 September 2014 the Property Manager accepted that the timescales that had been involved in getting quotes and implementing property repairs on Common Good property had been in excess of that considered reasonable. He explained that workload pressure resulted in the Council's extremely small property team having a reactive work plan linked to priorities on repairs for Council-owned properties across the Borders. However he agreed to review the process and in particular explore ways by which the time taken to obtain quotes on repairs could be shortened. He emphasised that any contractors used to carry out the work had to be from the list approved by the Council.

**DECISION**  
**NOTED**

**CULTURE TRUST UPDATE**

4. With reference to paragraph 7 of the Minute of 11 June 2014, and reports to Council on 27 February 2014 and 26 June 2014, Cultural Services Manager, Ian Brown, was in attendance to give an update on the Cultural Services Review. Mr Brown handed out a briefing paper and gave a summary of the proposals and their relevance to buildings in Selkirk owned by the Common Good Fund. He explained that, as part of the proposed move to a Culture Trust, the management of Sir Walter Scott's Courtroom and the Victoria Hall, would transfer from Scottish Borders Council to the Culture Trust. There would be no change in ownership. The Council staff currently managing/ working in these properties would transfer to the Trust and the transfer agreement would make arrangements for these services to continue. The Project Board and the Member/Officer Working Group overseeing the transfer project had been advised of no direct financial impact on the Common Good Fund in connection with these proposals. The Local Authority currently met the capital and revenue costs of these Common Good assets and this would continue through the transfer agreement. However as the buildings were owned by the

#### **Item No 4 (a)**

Common Good there may be a question as to the alienability of these. The legal position was that the Council would need to seek consent from the Sheriff to grant a lease over these properties to the Culture Trust. Mr Brown added that a full report on the proposed Culture Trust, outlining the further work required, would be presented to Council later this year. Legal and Licensing Services Manager, Mrs Isles, confirmed that the authority to raise the action and grant the lease would lie with full Council rather than with the Common Good Fund Sub Committee.

5. Members of the Sub Committee discussed the proposals and received answers to their questions from the officers. With regard to future maintenance and responsibility for any future deterioration of the Common Good properties in question, Mrs Isles advised that these matters would ultimately depend on the agreement between the Council and the Culture Trust and the terms would be set out in the lease. It was recognised that there would need to be a clear definition within the agreement as to where future responsibility for different areas of maintenance lay. The duty of the Trust would be to ensure the same standard of management for all properties whether from the general fund or the Common Good. With regard to future running costs Mr Brown pointed out that the ability to break-even would be around services rather than buildings. He confirmed that the Trust would be accepting buildings in the condition they were in. With regard to moveable assets the ownership of these would not be passed on but it was noted that they would need to be recorded in an inventory. In respect of the heritage collection there should be an agreement as to how these should be managed in terms of whether they should be in storage or on display. The Chairman thanked the officers for their attendance.

#### **DECISION**

**NOTED the update.**

#### **FARM PROPERTY SURVEY AND WORKS SCHEDULE**

6. With reference to paragraph 7 of the Minute of 2 September 2014, there had been circulated copies of detailed Condition Survey Reports and photographs following surveys carried out at Smedheugh, Linglie and South Common Farms. The Estates Surveyor, Mr Morison, began by showing the photographs from Smedheugh Farm on the screen and highlighted the main areas of work required. He confirmed that the properties should be checked annually with tenants to agree maintenance requirements and who was responsible for these. He also advised that farm tenancy leases had changed and that since 2003 responsibility for day-to day maintenance fell to the tenant. There followed a lengthy discussion regarding work required at Smedheugh, with reference to the condition the farm was in when the current tenancy commenced and the current responsibility of the Common Good as landlord in respect of the repairs needed. After further consideration of the work required that was highlighted on the surveys, and the limited budget available, Members asked the Property Manager to provide a revised prioritised list of repairs, with associated costs, across the three properties. Mr Mawson agreed to pull together a list of urgent items from the Year 1 repairs included in the five-year Building Maintenance costings provided with each of the property surveys. The Chairman asked for a special meeting to be arranged to consider the list. Members also asked for clarification with regard to the responsibilities between landlord and tenant, according to current legislation and as this relates to each of the three farms.

#### **DECISION**

**AGREED that a prioritised list of repairs, with associated costs, for the three farms be provided by the Property Manager for consideration at a special meeting to be arranged.**

#### **FINANCIAL MONITORING REPORT**

7. There had been circulated copies of a report by the Chief Financial Officer setting out the details of transactions for the 6 months to 30 September 2014, the projections of the annual outturn with variances from the proposed budget and the projected effect on Revenue and Capital Reserves at 31 March 2014. The Corporate Finance Manager, Lynn Mirley, was in attendance to present the report and answer Members' questions. Appendix 1 to the report brought together the key financial data on the Revenue Performance and Balance sheet situation for 2014/15. Appendices 2 – 5 provided details on the Revenue budget in an extended format, grants paid and payable, Revenue and Capital Reserves and the performance of the Property Portfolio. The report explained that dividend income was now being received from the investment in the Newton Fund.

#### **Item No 4 (a)**

In 2013/14 and in the first quarter of 2014/15 the Newton fund had performed ahead of its target. The Common Good Fund was projecting total expenditure of £137,658 and income of £70,605 supplemented by a draw down of £62,556 from the Revaluation Reserve, resulting in an outturn net expenditure of £4,497 which was fully funded from the surplus of £24,617 in 2013/14. Mrs Mirley answered questions in relation to the income from investment in the Newton Fund. She also agreed to check the Central Support Services recharge amount included in the report. The Chairman asked for the Sub Committee's best wishes and thanks to be passed to Senior Financial Analyst, Andrew Mitchell, on his imminent retirement from the Council.

#### **DECISION**

- (a) **NOTED the key figures, grants analysis, projected balances on Revenue and Capital Reserves and the performance of the Property Portfolio, as shown in appendices to the report; and**
- (b) **AGREED the financial performance and budget proposed for 2014/15 as shown in Appendix 2 to the report.**

#### **GENERAL PROPERTY UPDATE**

- 8. Estates Surveyor, James Morison, referred to information he had previously circulated giving a general property update. He advised that Scottish Water were still to decide whether to proceed with a lease of land at South Common for a new water tank to replace the Howden water tank. A claim was being prepared by Mr Morison for the loss of Common Good timber along the Ettrick, where trees of various sizes and quality had been removed in preparation for the Selkirk Flood Scheme. Mr Morison concluded his update by confirming that rent to the Common Good Fund was still being paid by Spie (formally Electricity Network Solutions) for the use of part of Smedheugh Farm for caravans.

#### **DECISION**

**NOTED the update.**

#### **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 it involved the likely disclosure of exempt information as defined in Paragraph 6 of Part I of Schedule 7A to the Act.**

#### **SUMMARY OF PRIVATE BUSINESS**

##### **Minute**

- 1. Members approved the private section of the Minute of 2 September 2014.

*The meeting concluded at 5.05 p.m.*

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**SCOTTISH BORDERS COUNCIL**  
**SELKIRK COMMON GOOD FUND SUB COMMITTEE**

MINUTE of SPECIAL MEETING of the  
SELKIRK COMMON GOOD FUND  
SUB COMMITTEE held in Committee  
Room 1, Council Headquarters,  
Newtown St Boswells on Tuesday,  
2 December 2014 at 3.00 p.m.

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Present: Councillors G. Edgar (Chairman), M. Ballantyne (para 3),  
V. Davidson. Community Councillor T. Combe.  
In attendance: Solicitor (J. Webster), Property Manager (S. Mawson), Estates  
Surveyor (J. Morison), Democratic Services Officer (F. Walling).

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**FARM PROPERTY SURVEY AND WORKS SCHEDULE UPDATE**

1. With reference to paragraph 6 of the Minute of 29 October 2014, there had been circulated copies of a briefing note with a prioritised list of urgent repairs for each of the three farm properties, and cost details for each. Further information was also given about the landlord's legal responsibilities, in respect of each property, as had been requested.

**Smedheugh**

2. A quote had been received for renewal of the bathroom in the farmhouse to include renewal of the bath, shower, basin and toilet, a refitted ceiling, renewed lights and extractor fan, floor vinyl and repainting. After a lengthy discussion Members agreed that in addition to this quote to raise the bathroom condition to a high standard two further estimates should be obtained as follows:-

- (a) to bring the bathroom up to its previous standard;
- (b) to carry out essential work only, including renewal of extractor fan to help solve the problems of damp.

Should the decision be made to fund just the minimal work in the bathroom at this time it was suggested the tenant be given the opportunity to pay for further work to be carried out at the same time should he so wish. This could be potentially recorded as tenant's improvements. Members agreed to the necessary work being carried out to the fireplace to check the chimney lining and renew the fireplace mantle but asked officers to check whether the latter was covered by insurance. Members also agreed to proceed with electrical testing in the farm buildings.

**MEMBER**

Councillor Ballantyne joined the meeting during the above discussion.

3. Officers were asked to obtain a quote to renew/make secure the gable end in the storage shed and obtain quotes in the next financial year to make other sheds wind and watertight. Having discussed the lease with legal services the Estates Surveyor confirmed that the landlord was responsible for providing such buildings and other fixed equipment as would enable the tenant to maintain efficient production and for replacing all fixed equipment when it was at the end of its life.

**DECISION**

**AGREED that in respect of Smedheugh:-**

- (a) officers obtain additional quotes as described above for work on the bathroom and report these back to the next meeting for a decision;**
- (b) to proceed with the work on the fireplace as detailed but to check whether the work to the mantle may be covered by insurance; and**
- (c) to proceed with electrical testing in the farm buildings.**
- (d) to obtain a quote to renew/make secure the gable end in the storage shed and obtain quotes in the next financial year to make other sheds wind and watertight.**

**Linglie**

- 4. The briefing note advised that under Section 5 of the Agricultural Holdings (Scotland) Act 1991, the landlord will during the tenancy effect such replacement or renewal of the buildings or other fixed equipment as may be rendered necessary by natural decay or by fair wear and tear. This advice was given by specialist legal advisers, Gillespie MacAndrew, in July 2009. Members agreed to work being carried out to test the electric supply to the farmhouse and steading and to upgrade the sockets in the steading to residual current device. It was also agreed that discussions be held next year on the refurbishment of the cottages at Linglie.

**DECISION**

**AGREED that in respect of Linglie:-**

- (a) to proceed with electrical work as detailed in the briefing note; and**
- (b) that discussions be held on the refurbishment of the cottages in the next financial year.**

**South Common**

- 5. The Estates Surveyor explained that in November 2009 further advice was taken from Gillespie MacAndrew regarding the responsibilities of the Common Good at South Common. This came about following the tenant's request to replace the old steading buildings with a new shed. The advice was the same as that at Linglie i.e. under Section 5 of the AHSA 1991 the landlord will during the tenancy effect such replacement or renewal of the buildings or other fixed equipment as may be rendered necessary by natural decay or by fair wear and tear. With regard to urgent works required at South Common Members agreed to the renewal of windows and two doors in the farmhouse and for field drainage renewal to be carried out. It was also agreed that the farmhouse be re-wired during the next financial year.

**DECISION**

**AGREED that in respect of South Common:-**

- (a) to proceed with renewal of ten windows and two doors in the farmhouse;**
- (b) to proceed with the renewal of 400 metres of blocked/broken field drainage; and**
- (c) to rewire the farmhouse in the next financial year.**



**URGENT BUSINESS**

6. Under Section 50B(4)(b) of the Local Government (Scotland) Act 1973, the Chairman was of the opinion that the items dealt with in the following paragraphs should be considered at the meeting as a matter of urgency, in view of the need to keep Members informed.
7. The Property Manager reported that a leak which had led to water running below the door into the Scott's Courtroom Café had been repaired. He also advised that urgent repairs to the stonework of the tower would be carried out in the New Year.

**DECISION  
NOTED**

8. In response to a Member's query about the basis of the lease of the Green Shed, in particular in respect of consent for type of usage, Jane Webster, Solicitor, agreed to circulate to Members a copy of the lease for information.

**DECISION  
NOTED**

**URGENT BUSINESS**

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

**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 it involved the likely disclosure of exempt information as defined in Paragraph 6 and 8 of Part I of Schedule 7A to the Act.**

**SUMMARY OF PRIVATE BUSINESS**

**Farm Property Works Schedule**

1. Members approved quotes received for works to be carried out on the three farms.

*The meeting concluded at 4.50 p.m.*

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**Monitoring Report for 9 Months to 31 December 2014**

**Report by the Chief Financial Officer**

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**Selkirk Common Good Sub Committee**

**18 February 2015**

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**1 PURPOSE AND SUMMARY**

- 1.1 **This report sets out details of transactions on the Selkirk 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 £11,497 for the year.
- 1.3 Appendix 2 provides a projected Balance Sheet to 31 March 2015. It shows a projected increase in the Capital Reserve of £327, arising from unrealised movement on the Newton Fund investment and a cash balance at this date of £52,046.

**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 summary of the property portfolio in Appendix 3; and**
  - (d) **Notes the current position of the investment in the Newton Fund as detailed in Appendix 4.**

### **3 BACKGROUND**

- 3.1 This report provides the Committee with financial information for the period to 31 December 2014 and projections to 31 March 2015. The report also contains a projected balance sheet for the Common Good Fund to 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 projected net position for the year is a deficit of £11,497, assuming full expenditure of the grants budget, of which £10,351 remains to be allocated.

#### **Income & Expenditure - Rental Income**

- 4.2 Projected rental income for 2014/15 is shown on Appendices 1 and 3, with Appendix 3 detailing the projected annual rental income by individual property. There is no change to the rental income projections from the previously reported estimate.
- 4.3 Other Income of £3,000 has been added in respect of an anticipated payment from Selkirk Flood Protection Scheme in respect of loss of trees along the river bank downstream from Victoria Park.

#### **Income & Expenditure - Non-Property Related Income**

- 4.4 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 over the full financial year. The annual rate of interest applied to the cash deposits is, however, expected to be around 0.4%.
- 4.5 The Capital Reserve is invested in the Newton Fund and distributions from are made twice a year in September and February. A dividend of £2,273 was received by the Selkirk Common Good Fund at 30 September 2014. The Newton Fund is currently anticipated to fully return the projected annual budgeted income of £3,200.

#### **Income & Expenditure - Property Expenditure**

- 4.6 The Property Expenditure to date is detailed in Appendix 3 by property. The estimate for full year property costs included in Appendix 1 has been increased by £10,000 to allow for anticipated costs, including replacement windows for South Common Farm, field drainage and bathroom works at Smedheugh Farmhouse, as agreed at the Sub-Committee meeting on 2 December 2014.
- 4.7 The payment to the Selkirk Hill Management Group for 2014/15 has been paid in line with the Sub-Committee's decision made at the meeting on the 4 September 2013. This decision was to pay £10,000 per annum for the five years (i.e. up to year ending 31 March 2018), subject to availability of funds.

## Income & Expenditure - Grants and Other Donations

- 4.8 The Grants and Other Donations distributed to 31 December 2014 are shown below. There are currently no other outstanding commitments.

<b>Grant Recipients</b>	<b>Approved</b>	<b>£</b>
<b>Approved and paid</b>		
Philiphaugh Community School – Play Equipment	11/06/14	4,059
Scott's Selkirk Assoc – Rent assistance	02/09/14	1,200
<b>Total Paid to 31 December 2014</b>		<b>5,259</b>
<b>Approved but not yet paid</b>		
Selkirk Chamber of Commerce- Improve prospects for retailing in town	31/10/12	2,890
Selkirk Christmas Illuminations Group - Power points	23/10/13	1,500
<b>Total - Approved but not yet paid</b>		<b>4,390</b>
<b>Projected Out-Turn</b>		<b>20,000</b>
<b>Remaining Unallocated Budget</b>		<b>10,351</b>

### Balance Sheet

- 4.9 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.
- 4.10 All fixed assets of the Common Good Fund are revalued every five 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.

### Cash Balance

- 4.11 The cash held by the fund is projected to be £52,046, an in-year projected reduction of £12,143. The projected cash movement for 2014/15 is as follows:

<b>Projected Usable Cash Revenue Balance</b>	<b>£</b>	<b>£</b>
<b>Opening Balance at 1.4.14</b>		<b>64,189</b>
Projected deficit for year from Income & Expenditure Statement		(11,497)
Net cash movement in Debtors/ Creditors		(646)
<b>Projected Closing Balance at 31.3.15</b>		<b>52,046</b>

### Capital Reserve

- 4.12 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 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 appropriate comments have been incorporated into this report.

### Approved by

**David Robertson**  
**Chief Financial Officer**

**Signature .....**

### 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:** None

**Previous Minute Reference:** Selkirk Common Good Sub-Committee, 2 December 2014; Selkirk Common Good Sub-Committee, 4 September 2013

**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](mailto:treasuryteam@scotborders.gov.uk)

## SELKIRK 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
	£	£	£	£		
<b>Property Income</b>						
Rentals Receivable	(58,590)	(62,903)	(62,903)	-		
Payment from Selkirk Flood Protection Scheme	-	-	(3,000)	(3,000)	4.5	Refer to Appendix 3 Expected payment in respect of loss of trees
<b>Non-Property Related Income</b>						
Interest on cash deposited with Council	-	(420)	(420)	-	4.3	
Newton Fund investment - Dividends receivable	(2,273)	(3,200)	(3,200)	-	4.4	Second dividend to be received in Feb 2015
Other income – Fishing Club annual donation	(50)	(50)	(50)	-		
<b>Total Income</b>	<b>(60,913)</b>	<b>(66,573)</b>	<b>(69,573)</b>	<b>(3,000)</b>		
<b>Property Expenditure</b>						
Property Costs	26,575	30,000	40,000	10,000	4.6	Refer to Appendix 3
Selkirk Hill Management Agreement	10,000	10,000	10,000	-	4.7	
<b>Total Property Expenditure</b>	<b>36,575</b>	<b>40,000</b>	<b>50,000</b>	<b>10,000</b>		
<b>Grants &amp; Donations to Local Bodies</b>	<b>5,259</b>	<b>20,000</b>	<b>20,000</b>	-	4.8	£10,351 of budget unallocated
<b>Running Costs</b>						
Central Support Service Charge	1,718	15,102	15,102	-		
SBC Grant towards Service Charge	-	(4,032)	(4,032)	-		
<b>Net Running Costs</b>	<b>1,718</b>	<b>11,070</b>	<b>11,070</b>	-		
<b>Depreciation</b>						
Depreciation charge	-	62,556	62,556	-		Estimate based on current Net Book Values
Contribution from Revaluation Reserve	-	(62,556)	(62,556)	-		
<b>Net impact of depreciation on the revenue reserve</b>	-	-	-	-		
<b>Total Net (Surplus)/Deficit for the year</b>	<b>(17,361)</b>	<b>4,497</b>	<b>11,497</b>	<b>7,000</b>		

## SELKIRK COMMON GOOD FUND

## ESTIMATED SUMMARY BALANCE SHEET POSITION AT 31 MARCH 2015

	Opening Balance at 31 March 2014 £	Projected Movements in year £	Projected Balances at 31 March 2015 £
<b>Fixed Assets</b>			
<b>Land &amp; Buildings<sup>1</sup></b>	2,102,777	(62,556)	2,040,221
<b>Heritable Assets</b>	1,500	-	1,500
<b>Total Fixed Assets</b>	<b>2,104,277</b>	<b>(62,556)</b>	<b>2,041,721</b>
<b>Capital in Newton Investment Fund Market Value as at 31.12.14<sup>2</sup></b>	<b>132,545</b>	<b>327</b>	<b>132,872</b>
<b>Current Assets</b>			
Cash deposited with SBC	64,189	(12,143)	52,046
<b>Current Liabilities</b>			
Creditors	(646)	646	-
<b>Net Assets</b>	<b>2,300,365</b>	<b>(73,726)</b>	<b>2,226,639</b>
<b>Funded by:</b>			
<b>Reserves</b>			
Revenue Reserve <sup>3</sup>	(63,543)	11,497	(52,046)
Capital Reserve <sup>3</sup>	(140,866)	(327)	(141,193)
Revaluation Reserve	(2,095,956)	62,556	(2,033,400)
<b>Total Reserves</b>	<b>(2,300,365)</b>	<b>73,726</b>	<b>(2,226,639)</b>

<sup>1</sup> Projected book values of Land and Buildings as at 31 March 2015 broken down on Appendix 3.

<sup>2</sup> The Dividend Income on the Newton Fund is reflected in the Income and Expenditure Statement (Appendix 1).

<sup>3</sup> Opening capital and revenue reserve balances have been aligned to reflect net asset values.



## SELKIRK COMMON GOOD FUND

PROPERTY PORTFOLIO PERFORMANCE FOR 2014/15  
(ACTUAL EXPENDITURE TO END DECEMBER 2014)

Fixed Assets - Land & Buildings	FIXED ASSETS Projected Book value at 31.3.15	RENTAL INCOME Projected Outturn for 2014/15	ACTUAL PROPERTY COSTS TO 31.12.14			Total
			Repairs	Common Riding related	Insurance	
	£	£	£	£		£
Linglie Farm Farmhouse & Cottages	347,543	(7,500)	9,577		391	9,968
Linglie Farm Shootings	7,500	(750)				
Linglie Mast Site	68,500	(10,832)				
Linglie Plantation	10,000					
Pant Well	-					
Pringle Park	-					
Pringle Park Play Area	-					
Shawburn Rd Amenity Ground	-					
Shawburn Toll Embankment	-					
Bog Park Recreation Ground	-					
Rosebank Quarry	-					
Rosebank Quarry Play Area						
River Ettrick Salmon Fishing	700					
Selkirk Golf Course	69,000					
Selkirk Shooting Range	-	(11)				
Selkirk Hill	20,500	(410)				
Selkirk Town Hall Clock	-					
Selkirk Town Hall	107,860		8,426		243	8,669
Selkirk Town Hall Shops	-					
Shop - 26 Market Place	20,414	(4,125)				
Shop - 28 Market Place	27,740	(5,600)				
Smedheugh Farm Shooting	1,750	(200)				
South Common Farm Shootings	1,750	(200)				
Smedheugh Farm & Farmhouse	288,800	(23,500)	6,389		415	6,804
Smedheugh Plantation	5,600					
South Common Farm Farmhouse & Cottages	299,400	(8,400)			369	369
South Common Plantation						
Selkirk	2,400					
Riverside Amenity Site land	75,000					
The Green Hut	12,333	(1,175)				
Shawpark Rd Development Site	37,500					
Victoria Hall	600,910					
Victoria Hall Caretakers Flat	33,271					
Victoria Park & Caravan Park	-					
Victoria Park Pavilion site	1,750	(200)				
General			103	652	10	765
<b>Total</b>	<b>2,040,221</b>	<b>(62,903)</b>	<b>24,495</b>	<b>652</b>	<b>1,428</b>	<b>26,575</b>

## Selkirk Common Good

### INVESTMENTS

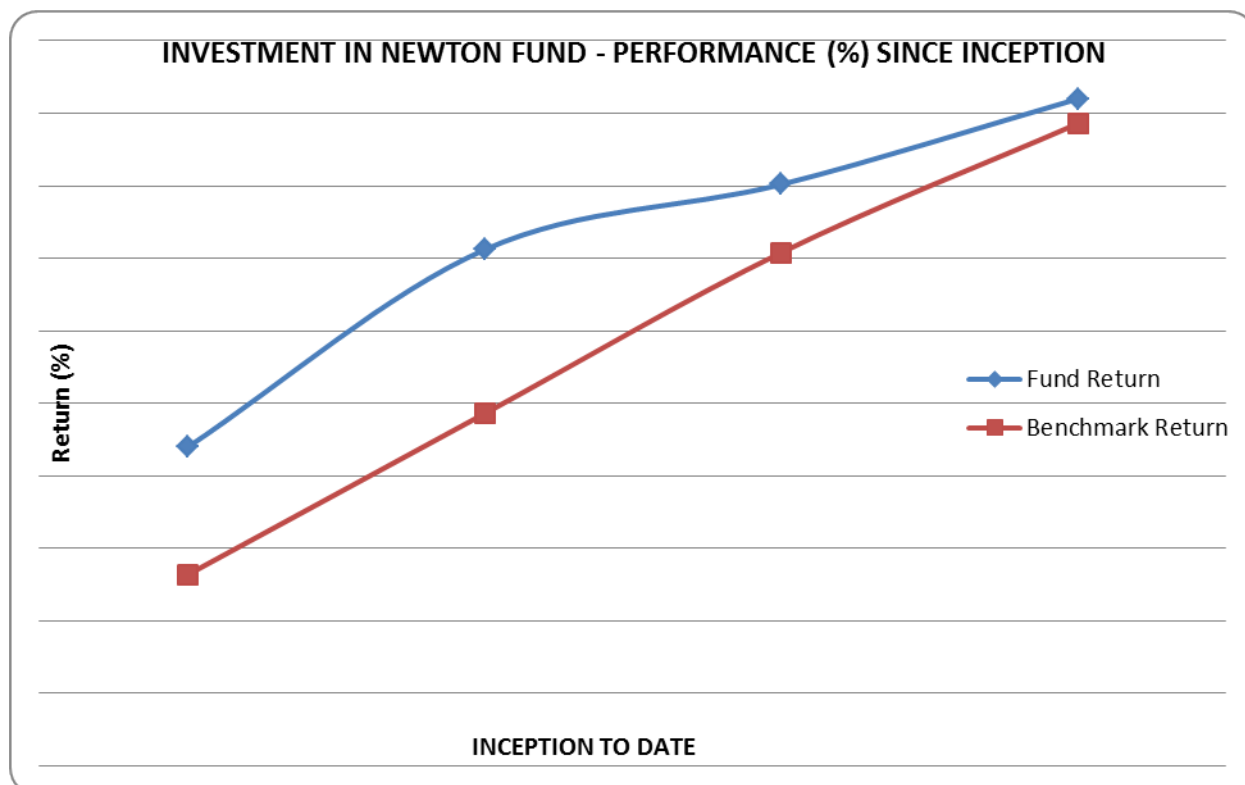
£

#### Investments

Investments externally managed in Newton Real Return Fund:

	£
Cost of Investment	130,000
Value at 31.3.14	132,545
Value at 31.12.14	132,872

Since inception the capital value of the investment has increased from £130,000 to £132,872. A dividend of £2,273 was received on 30 September 2014 and will be used to fund in year expenditure as part of the £3,200 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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**LEASE OF GOLF COURSE TO SELKIRK GOLF CLUB**

**Report by Service Director Commercial Services**

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**SELKIRK COMMON GOOD FUND SUB COMMITTEE**

**18 February 2015**

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**1 PURPOSE AND SUMMARY**

- 1.1 **This report seeks to obtain the consent of the Selkirk Common Good Sub Committee to continue the lease to Selkirk Golf Club on a year to year basis.**
- 1.2 The current lease to Selkirk Golf Club commenced in 1994 by Ettrick and Lauderdale District Council. The 21 year term is due to expire on 31<sup>st</sup> March 2015 (see appendix 1).
- 1.3 There is provision in the current lease for it to continue on a year to year basis.
- 1.4 The terms of the current lease are still acceptable and appropriate and therefore this report recommends that the current lease continues on a year to year basis.

**2 RECOMMENDATIONS**

- 2.1 **I recommend that the Selkirk Common Good Sub Committee agrees to continue the current lease to Selkirk Golf Club until such time as a new lease with new terms and conditions is required by either the tenant or landlord.**

### **3 BACKGROUND & PROPOSALS**

- 3.1 Selkirk Golf Club was founded in 1883 and the current course was laid out in 1924. The land for the golf course is owned by Scottish Borders Council on behalf of Selkirk Common Good Fund. The clubhouse and other buildings are owned by the Golf Club and therefore not included in the lease.
- 3.2 In 1994 Ettrick & Lauderdale District Council agreed a new lease with Selkirk Golf Club for a 21 year period until 31<sup>st</sup> March 2015 although the lease has a provision to continue on a year to year basis thereafter until terminated by either party on giving six months written notice.
- 3.3 The terms of the current lease include all repairs and maintenance being the responsibility of the golf club and an annual rent of £10 being paid to the landlord.
- 3.4 The golf club committee are aware that the 21 year period of lease expires on 31 March 2015 but they have not requested a new lease and they consider the current lease to be satisfactory at present.
- 3.5 Circumstances may change in the future which require a new long term lease to the golf club. For example, additional security of tenure would be required if the golf club want to apply for grant funding.
- 3.6 If a new lease is required to commence on 1 April 2015, the landlord will incur additional legal costs in preparing a new lease.

### **4 IMPLICATIONS**

- 4.1 **Financial**  
There are no financial implications arising from this report's recommendations.
- 4.2 **Risk and Mitigations**  
The report fully describes all the elements of risk that have been identified in relation to this lease and no specific additional concerns need to be addressed.
- 4.3 **Equalities**  
It is anticipated there will be no adverse impact due to race, disability, gender, age, sexual orientation or religion/belief arising from the proposals contained in this report.

4.4 **Acting Sustainably**

There are no significant effects on the economy, community or environment.

4.5 **Carbon Management**

There are no significant effects on carbon emissions.

4.6 **Rural Proofing**

Not applicable because no new Council policy or strategy is being requested.

4.7 **Changes to Scheme of Administration or Scheme of Delegation**

There are no changes to be made.

**5 CONSULTATION**

5.1 The Chief Financial Officer, the 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 any comments received have been incorporated into the final report.

**Approved by**

Andrew Drummond-Hunt

**Service Director Commercial Services      Signature.....**

**Author**

Name	Designation and Contact Number
James Morison	Estates Surveyor, Property & Facilities 01835 824000

**Background Papers: None**

**Previous Minute Reference: None**

**Note** – You can get this document on tape, in Braille, large print and various computer formats by contacting the address below. James Morison can also give information on other language translations as well as providing additional copies.

Contact us at Estate Management, Scottish Borders Council, Newtown St Boswells. 01835 824000 Ext 5295

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LEASE

between

THE ETRICK AND LAUDERDALE  
DISTRICT COUNCIL

and

SELKIRK GOLF CLUB

1994

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Subjects: Selkirk Golf Course,  
Selkirk

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Solicitor,  
Council Chambers,  
Albert Place,  
Galashiels.

FAS 0842

LEASE

between

THE ETRICK AND LAUDERDALE DISTRICT  
COUNCIL, Council Chambers, Albert Place,  
Galashiels (the landlords)

and

John Alexander Hume, President, Todshaw,  
Forty-two Hillside Terrace, Selkirk, Alexander  
Barclay Crow, Captain, One "A" Ladylands Terrace,  
Selkirk and Duncan Stuart Wilson, Secretary/  
Treasurer, Ten Deer Park, Selkirk, TD7 4DL for and  
on behalf of SELKIRK GOLF CLUB, (the tenants)

The landlords, in consideration of the rent detailed below, hereby let to the tenants ALL and WHOLE that portion of Selkirk Hill, Selkirk extending to 40.06 hectares or thereby designated for the playing of the game of golf by the landlords as shown outlined in red on the plan annexed and signed as relative to this lease and that for the following period and on the following terms and conditions:-

(FIRST)

There is reserved to the landlords:-

Reservations to

Landlords

(One) The right to lead through or over the subjects of let along such line or lines or in such location or locations as the landlords may determine pipes, sewers, drains, mains, gutters, water courses, cables, channels or other service media of any kind and to connect to any existing pipes, sewers and others under, over or above the subjects of let all for the purpose of providing services to other subjects. The landlords shall have the right of access to the subjects of let for the purpose of laying, installing, maintaining, repairing and renewing such pipes, sewers and others;

(Two)/



(Two) the right to build or rebuild upon any adjoining or neighbouring subjects to such height and in such manner and otherwise as the landlords may desire, or permit and to use the same in whatever manner may be desired; and

(Three) the right at any time to alter or depart from the composition and/or layout of surrounding developments on land belonging to the landlords in such manner and to such extent as the landlords may in their sole discretion decide and that without any claim being competent against the landlords at the instance of the tenants for compensation or otherwise.

(SECOND)

Period of Lease

The lease shall be for the period of Twenty-one years from the First day of April, Nineteen Hundred and Ninety-four until Thirty-first March, Two Thousand and Fifteen, notwithstanding the date hereof, and from year to year thereafter subject to the right of either party to terminate this lease at any time on giving six months' prior notice in writing of termination to the other party.

(THIRD)

Rent and Payment  
of Rent

The tenants shall pay to the landlords the sum of TEN POUNDS Sterling, or such higher sum as may be substituted therefor, in terms of this clause from time to time, payable yearly in advance as rent for the subjects of let on the First day of April in each year during the currency of the lease, with interest on each payment at the rate of Five per cent above the Bank of Scotland base rate from the date the rent becomes due until the date of receipt of payment by the landlords. It shall be in the power and option of the landlords to demand on three months' notice to that effect, in writing, that a revision of the rent shall take place with effect from the First day of April in the years Nineteen Hundred/

Hundred and Ninety-seven, Two Thousand, Two Thousand and Three, Two Thousand and Six, Two Thousand and Nine, Two Thousand and Twelve and on each third anniversary thereafter, the revised rent to be agreed between the parties or, in the event of failure so to agree, to be referred by the landlords to the District Valuer for the setting of a fair rent.

(FOURTH)

Public Access etc.

All existing rights of access to the subjects of let are to be upheld by the tenants. The tenants agree not to interfere with or hinder such rights in any way and to indemnify the Council against any claims which may arise directly or indirectly from the existence of such rights.

(FIFTH)

Tenants' Rights and  
Obligations

The tenants shall have the sole right of:-

- (a) having a golf course on the subjects of let and having a clubhouse and necessary offices there, all of which buildings shall be maintained by the tenants at their sole expense in good and sufficient condition and order subject to the terms of Clauses (ELEVENTH), (TWELFTH) and (THIRTEENTH) below during the currency of this lease all to the satisfaction of the landlords;
- (b) managing the golf course and levying and collecting from people using the course such charges as they shall deem appropriate, subject to the annual approval of the landlords of the level of charges;
- (c) regulating play over the golf course, subject to the rules for golf framed by the Royal and Ancient Golf Club of St. Andrews; and
- (d)

- (d) erecting any further structures or buildings on the subjects of let for the betterment of the golf course subject to the written approval of the landlords which shall not be unreasonably withheld.

## (SIXTH)

## Unauthorised Works

The tenants shall forthwith on receipt of any relevant notice from the landlords and within such reasonable period as may be prescribed in the notice:-

- (a) take down and remove all work and materials which are not in accordance with the landlords' approval;
- (b) repair and make good any defects or omissions in buildings or other works on the subjects of let; and
- (c) remedy any default in observing and performing any of the obligations imposed on the tenants by this lease; declaring that, in the event of the tenants failing to do so within the prescribed period, the landlords, without prejudice to any other remedies available to them under this lease, may make such arrangements as they think fit for taking down, removing, repairing, making good or remedying such defects, omissions or defaults, and the expenses, reasonably and properly incurred by the landlords in so doing shall be paid by the tenants to the landlords on demand, together with interest thereon at the rate prescribed in Clause (THIRD) from the date of demand until payment.

## (SEVENTH)

## Assignations and

## Sub-letting

The tenants shall not assign this lease in whole or in part nor create any sub/

sub-tenancies of the subjects hereby let or any part thereof and any such assignations or sub-tenancies shall be null and void.

## (EIGHTH)

## Golf

No game other than golf shall be played on the golf course.

## (NINTH)

## Insurance

The tenants shall insure all buildings on the subjects of let against loss or damage by fire and take out public liability insurance in the sum of One Million Pounds with a reputable insurance company, pay the premiums for such insurance and exhibit the policies and receipts for such insurance on demand. The tenants shall have no claim upon the landlords at the expiry or sooner termination of this lease for compensation for improvements or alterations carried out to the subjects of let by them during the currency of this lease. .

## (TENTH)

## Nuisance, Statutory

## Duties Etc.

No nuisance shall be caused as a result of the use or occupancy of the subjects of let by the tenants. In particular, without prejudice to the foregoing generality, the tenants shall lay out and manage the subjects of let in such a way that no disturbance is caused to owners or occupiers of buildings in the neighbourhood of the subjects let and the enjoyment of any member of the public frequenting the subjects of let is not interfered with. In recovering any ball driven out of bounds, players shall not cause any damage to boundary walls, fences or dykes. The landlords shall be responsible for the repair and maintenance of all boundary walls, fences and dykes required by normal wear and tear. The tenants shall be responsible for all existing drains on the subjects of let and all other drains that may be laid by them through the subjects of let. The tenants will free and relieve the landlords from all claims whatsoever whether relating to personal injury or death, damage to any property heritable or moveable or otherwise arising directly or indirectly/

indirectly from the tenants' occupation and use of the subjects of let. The tenants shall comply in all respects with all relevant statutes, byelaws, regulations, orders and directives applicable to the subjects of let and with the requirements of all authorities acting thereunder and obtain all licences and permissions required for their use of the subjects of let.

(ELEVENTH)

Maintenance and Repair

The tenants shall at all times throughout the period of this lease keep and maintain all buildings on the subjects of let in good and substantial repair and condition, free from all defects whether patent, latent or inherent and maintained in good decorative and working order and clean and tidy and shall replace, repair, rebuild or reinstate the whole or such part thereof as may from time to time be damaged, destroyed or become worn out or dangerous all to the reasonable satisfaction of the landlords.

(TWELFTH)

Landlords' Right to Carry our Maintenance and Repair

If the tenants shall at any time fail to perform any of the obligations in this lease relating to the repair or condition of the subjects let the landlords or their agents or workmen shall be entitled (but not bound and without prejudice to the right of irritancy, hereafter contained) to enter upon the subjects let, or any part thereof, with all necessary appliances and equipment and to carry out such repairs, cleaning, treatment, decoration or other works as may be necessary, in order to comply with the obligations and provisions contained in the lease, and the costs and expenses involved (including any surveyors' or agents' fees) shall be repaid by the tenants to the landlords on demand together with interest at the rate prescribed in Clause (THIRD) from the date of demand.

(THIRTEENTH)/

## (THIRTEENTH)

Prevention of Damage During the course of any operations which the tenants carry out, they shall use all practical means to prevent damage to the subjects of let and they shall not use the footpaths for horse or vehicular traffic.

## (FOURTEENTH)

Minute of Amendment Any significant alteration amendment, extension or reduction of the subjects of let or to the terms of this lease will be detailed in a Minute of Amendment.

## (FIFTEENTH)

Rates, Taxes Etc. The tenants shall be responsible for the payment of all local and national rates and taxes and all other outgoings, including payment of all electricity, gas, water and telephone charges incurred during the currency of the lease.

## (SIXTEENTH)

Inspection The tenants shall at all reasonable hours allow any person authorised by the landlords to carry out an inspection of the subjects of let for the purpose of ascertaining that the conditions of this lease are being complied with.

## (SEVENTEENTH)

Forfeiture In the event of the tenants' constitution being so altered that they are no longer a club whose principal purpose is to facilitate, encourage and render more enjoyable the playing of golf over Selkirk Golf Course, or on the occurrence of any other event whereby the club ceases to operate as presently constituted, this lease shall from the date of such alteration or occurrence become null and void and the tenants shall in the sole option of the landlords forfeit all right and title under this lease and the subjects hereby let shall immediately revert to the landlords as if this lease had been naturally terminated.

## (EIGHTEENTH)

Tenants' Obligation  
to Reinstate

In/

In the event of the buildings on the subjects of let being destroyed or damaged, in whole or in part, by any cause then, as often as the same shall happen, the tenants shall, subject as aftermentioned, at their own expense, with all convenient speed and, in any case, within two years of the date of occurrence of the destruction or damage, rebuild, repair or otherwise reinstate the destroyed or damaged buldings, and that in a good and substantial manner, all to the satisfaction of the landlords; in the event of any destruction or damage resulting from any of the insured risks, then, as often as the same shall happen, all monies received in respect of such insurance shall forthwith be paid into a joint banking account in the names of the landlords and the tenants (and if appropriate of such other persons as have a pecuniary interest in the buildings) in such bank as the landlords shall direct and shall be applied against production of Architects' certificates towards payment of the costs of rebuilding, repairing or reinstating the destruction or damage which has occurred, all to the satisfaction of the landlords. In the event that the tenants shall fail to reinstate said buildings, the landlords shall have the option, on giving not less than three months' prior notice to the tenants at any time, to terminate this lease, without the tenants having any claim for damage or compensation thereby, and the landords shall be entitled to retain the insurance monies, but such termination shall be without prejudice to the landlords' right of action in respect of any antecedent breach by the tenants of any other obligations under this lease.

## (NINETEENTH)

Lease to Continue

Both the tenancy hereby created and the rent payable hereunder shall, subject to Clause (EIGHTEENTH) hereof continue notwithstanding the damage or destruction of the tenants' buildings by fire or any other cause whatsoever insurable or otherwise.

## (TWENTIETH)

No Parking on  
Access Roads

The/

The tenants shall be prohibited from parking or leaving any vehicles, materials or other matter on access roads or pavements within or adjacent to the subjects of let or otherwise impeding such accesses.

(TWENTY-FIRST)

Termination

In the event of any breach of any of the conditions of this lease, it shall be in the power of the landlords to terminate the lease forthwith, notwithstanding that the date of natural ish hereunder may not have arisen.

(TWENTY-SECOND)

Removal

At the expiry or sooner termination of this lease, the tenants bind themselves to flit and remove themselves, their fittings, goods, gear and effects, both off and from the subjects of let without any warning or process of law to that effect and shall leave the subjects of let in such state of repair and condition in all respects as shall be consistent with a full and due performance by the tenants of their obligations under the lease, and the tenants shall make good to the landlords' satisfaction any damage caused by such removing.

(TWENTY-THIRD)

Arbitration

Any dispute arising out of or in connection with this contract shall be referred to and finally resolved by arbitration under the Scottish Rules of the Chartered Institute of Arbitrators (Arbiters) which rules are deemed to be incorporated herein by reference to this clause.

(TWENTY-FOURTH)

Stamp Duty

The tenants shall pay any stamp duty payable upon this lease.

(TWENTY-FIFTH)

Marginal Notes

The marginal notes herein contained are inserted for convenience of reference and are not deemed to form part of these presents nor shall they affect the construction thereof.

(TWENTY-EIGHTH)/



(TWENTY-EIGHTH) Both parties consent to the registration of this lease for preservation and execution, as well as for publication; IN WITNESS WHEREOF

these presents typewritten on this and the nine preceding pages together with the plan annexed hereto are executed as follows: they are signed for and on behalf of the Selkirk Golf Club by the said John Alexander Hume, Alexander Barclay Crow and Duncan Stewart Wilson all together at Selkirk on the twenty second day of July, Nineteen Hundred and Ninety Four before these witnesses: Walter Murray Tait, Designer of 17 Ladylands Drive, Selkirk and Peter Strang Wallace, Teacher of 8 Ladywood, Selkirk; and they are sealed with the common seal of the said The Ettrick and Lauderdale District Council and signed for and on their behalf by Mary Janet Ruby Bryson and Andrew Lyall Tulley, two of their Members and by Charles Mitchell Anderson, a Proper Officer of the Council for the execution of deeds all at Galashiels on the twenty third day of August in the year last mentioned.

Page 31

MJR Bryson  
Andrew Lyall Tulley  
C. Mitchell Anderson  
John A. Hume  
D. B. Anderson  
D. S. W.

EM

W. Murray Tait (WITNESS)  
Peter S. Wallace (WITNESS)

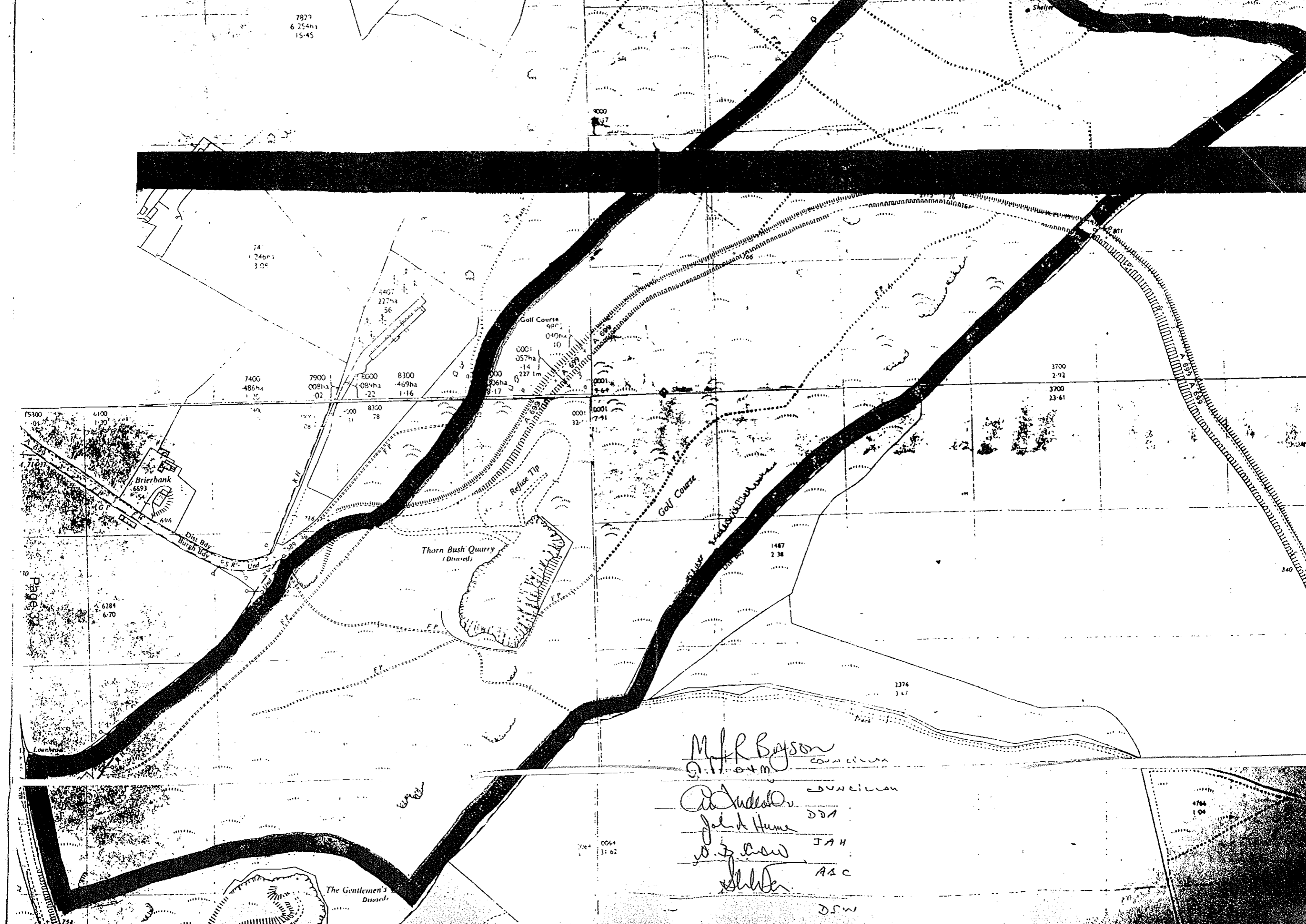
REGISTER on behalf of the within named THE ETTRICK AND LAUDERDALE DISTRICT COUNCIL for preservation and execution as well as for publication in the Register of the COUNTY OF SELKIRK.

*[Signature]*  
Solicitor,  
Galashiels, Agent

REGISTER on behalf of the within named John Alexander Hume, Alexander Barclay Crow and Duncan Stuart Wilson as Trustees for the SELKIRK GOLF CLUB for preservation and execution as well as for publication in the Register of the COUNTY OF SELKIRK.

*[Signature]*  
Solicitor,  
Selkirk, Agent

7827  
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15.45



Page 34

M. R. Bayson  
COUNCILMAN

*[Signature]* COUNCILMAN

John Hume DDA

W. J. [Signature] JAH

*[Signature]* AAC

DSW

The Gentlemen's Disused

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