

SCOTTISH BORDERS COUNCIL GALASHIELS COMMON GOOD FUND SUB COMMITTEE

MINUTES of Meeting of the GALASHIELS
COMMON GOOD FUND SUB COMMITTEE
held in Selkirk Parish Church Hall, Selkirk on
Thursday, 5 November, 2015 at 4.30 pm

Present:- Councillors B. White (Chairman), S. Aitchison (from para 2.2) and
J. G. Mitchell
Community Councillor R. Kenney (Galashiels Community Council).

Apologies:- Councillor B. Herd

In Attendance:- Corporate Finance Manager (L. Mirley), Solicitor (H. Macleod), Democratic
Services Officer (F. Walling).

2 Members of public

1. **MINUTE.**

There had been circulated copies of the Minute of 20 August 2015.

DECISION

NOTED the Minute

MEMBER

Councillor Aitchison joined the meeting during the discussion below.

2. **FINANCIAL MONITORING REPORT**

There had been circulated copies of a report by the Chief Financial Officer providing details of the income and expenditure for the 6 months to 30 September 2015, full year projected out-turn for 2015/16 and projected balance sheet values to 31 March 2016. Corporate Finance Manager, Lynn Mirley, referred to the appendices to the report and highlighted the main points. There was a projected surplus of £100 for the year, in the projected Income and Expenditure position, but a projected decrease in the revaluation reserves of £11,638 due to depreciation adjustment. A further appendix provided a breakdown of the property portfolio showing actual Income and Expenditure to 30 September 2015. With regard to the Grants and Donations budget Mrs Mirley confirmed that a grant of £1,000 had been paid to Energise Galashiels leaving an unallocated budget of £2,000. In response to a question about the proposed transfer of the management of Old Gala House to the Culture Trust Solicitor, Mrs Macleod, agreed to check again the title of the property and to ensure that the new arrangement would not breach any conditions set when Old Gala House was gifted by Gala Art Club for the benefit of Galashiels. Mrs Mirley answered further questions about the valuation process for Common Good property and referred to the fact that no value was attached within the accounts to heritage assets.

2.2 The value of the Newton Fund to 30 September 2015 was shown in Appendix 4 to the report. The capital reserve was invested in the Newton Fund and distributions were made twice a year in September and February. Dividends of £283 were received in September 2015 in line with the proposed budget of £530 for the year. The proposed budget for 2015/16 was based on a distribution of

2.5% which would be subject to the overall performance of the fund. The markets remained volatile due to the continued downturn in the growth rate of the Chinese economy and the US Federal Reserve's decision to leave US interest rates unchanged. This had resulted in a small negative return of -0.78% for the quarter to 30 September 2015 in comparison to equity markets which fell by 6% in the same period. Newton continued to put plans in place to protect the Fund. Mrs Mirley drew Members' attention to an additional chart within the appendix which had been provided to show the Newton Fund's quarterly return performance against the Benchmark and against an equity performance index. She stressed that capital preservation was the important aspect of the Newton Fund. Councillor White was keen to see how the fund was performing against peers in that sector, but Mrs Mirley advised that it was difficult to find a fund which was directly comparable. After further discussion it was agreed that an additional amount of between £5k - £7k from the cash balance be invested in the Newton Fund to maximise investment return to the Common Good; the decision as to the exact amount would be delegated to the Chief Financial Officer and would be dependent on whether or not there was a minimum investment level.

DECISION

- (a) AGREED the projected Income and Expenditure for 2015/16 in appendix 1 to the report.**
- (b) NOTED the:-**
 - (i) projected Balance Sheet value to 31 March 2016 in Appendix 2;**
 - (ii) summary of the property portfolio in Appendix 3; and**
 - (iii) current position of the investment in the Newton Fund in Appendix 4.**
- (c) AGREED that:-**
 - (i) an additional amount of from between £5,000 and £7,000 from the cash balance be invested in the Newton Fund, the decision as to the exact amount, dependent on whether or not there was a minimum investment level, to be delegated to the Chief Financial Officer; and**
 - (ii) further checks be made on the title of Old Gala House in order to clarify that there were no conditions that could impact upon the transfer of management of the building to a trust.**

The meeting concluded at 5.05 pm