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GALASHIELS COMMON GOOD FUND SUB COMMITTEE THURSDAY, 19 FEBRUARY, 2015

A MEETING of the GALASHIELS COMMON GOOD FUND SUB COMMITTEE will be held in the COUNCIL CHAMBER, ALBERT PLACE, GALASHIELS on THURSDAY, 19TH FEBRUARY, 2015 at 4.30PM.

J. J. WILKINSON,
Clerk to the Council.
12 February 2015

BUSINESS		
1.	Apologies for Absence.	
2.	Order of Business.	
3.	Declarations of Interest.	
4.	Minute. Minutes of the following meetings to be approved and signed by the Chairman:- (a) 4 September 2014; (b) 19 December 2014 (Special). (Copies attached.)	2 mins
5.	Financial Monitoring Report for 9 months to 31 December 2014. Consider report by the Chief Financial Officer. (Copy attached.)	10 mins
6.	Review of Heritable Assets in Former Burgh of Galashiels. Update.	5 mins
7.	Any Other Items Previously Circulated.	
8.	Any Other Items which the Chairman Decides are Urgent.	

NOTES

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

Membership of Committee:- Councillors B White (Chairman), S Aitchison, B Herd, J G Mitchell.
Community Councillor R. Kenney.

Please direct any enquiries to Fiona Walling 01835 826504
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SCOTTISH BORDERS COUNCIL
GALASHIELS COMMON GOOD FUND SUB COMMITTEE

MINUTE of MEETING of the GALASHIELS
COMMON GOOD FUND SUB COMMITTEE
held in Committee Room 2, Council
Headquarters on Thursday,
4 September 2014 at 2.00 pm.

Present: Councillors B. White (Chairman), S. Aitchison, B. Herd, J. G. Mitchell.

In attendance: Mr Richard Kenney, Galashiels and Langlee Community Council.
Chief Financial Officer, Legal and Licensing Services Manager,
Senior Financial Analyst (A Mitchell), Estates Surveyor (J. Morison),
Democratic Services Officer (F. Walling).

Members of the Public: 1

MINUTE

1. There had been circulated copies of the minute of 28 August 2013.

DECISION

NOTED the minute

**FINANCIAL OUTTURN 2013/14 AND BUDGET MONITORING FOR 3 MONTHS TO
END OF JUNE 2014**

2. There had been circulated copies of a report by the Chief Financial Officer detailing the outturn figures for 2013/14, proposing a budget for 2014/15 and informing Members of the financial position at the end of June 2014. It was noted that an updated report had also been circulated and paper copies of this revised report were tabled at the meeting. The Senior Financial Analyst, Andrew Mitchell, offered an apology for the need for a revised report. He explained that in line with the decision taken by the Sub Committee on 28 August 2013, £20,000 was to be invested in the Newton real return fund as part of the common good investment strategy. The physical transfer of cash was outstanding and backdated interest would be credited to the common good fund as from December 2013 when the fund was opened. Mr Mitchell advised that the interest accrued would amount to £227 and as the fund was part dividend (£227) part capital growth (£249) the investment would now be valued at £20,476 at the end of June 2014. Mr Mitchell further advised that a current review of the Council and Common Good assets may impact upon the Ladhope properties together with the reorganisations of registered charities so no income was transferred from the Ladhope funds for 2013/14. Provision had therefore been made in the 2014/15 budget for receipt of 2 years income from this source. Mr Mitchell went on to highlight the key figures for 2013/14 and projections for 2014/15 on Revenue and Capital Reserves, as shown in Appendices to the report. The figures showed a projected total of £3,475 to be added to the Revenue Reserve. Mr Mitchell confirmed that the figures shown in the appendices did not take account of income from the Newton fund.
3. Members discussed the report and the Legal and Licensing Manager responded to questions about the wording of the disposition relating to the Ladhope Trust. She confirmed that the costs of the research being carried out would not be re-charged to Galashiels Common Good Fund. With reference to paragraph 3 of the minute of 28 August 2013 Members agreed to postpone the discussion about re-commencing the

distribution of amounts of money in the form of grants from the Common Good Fund until the situation regarding income from the Ladhope Trust had been clarified. With regard to the stock of 'History of Galashiels' books held in stock it was noted that there had been no sales of the books during the past year. After a brief discussion it was unanimously agreed that the value of the books, in the accounts at £265, be written off and the 53 books be donated to the Old Gala Club for the purpose of raising funds from any sales.

DECISION

(a) NOTED:-

- (i) the key figures, balances for 2013/14 and projections for 2014/15 on Revenue and Capital Reserves, as shown in the appendices to the report; and**
- (ii) that backdated interest on the £20,000 capital balance would be credited to the Common Good Fund in line with notional interest earned since the Newton real Return fund was opened and would be shown in the next monitoring statement.**

(b) AGREED:-

- (i) to APPROVE the financial performance for 2013/14 and proposed budget for 2014/15 as shown in appendices to the report;**
- (ii) that further consideration be given, at an additional meeting to be arranged once the position regarding income from the Ladhope Trust had been clarified, to re-commencing donations and contributions from the Galashiels Common Good Fund; and**
- (iii) to write-off the value of the stock of History of Galashiels books and to donate the books to the Old Gala Club.**

NEW LEASE TO GALASHIELS GOLF CLUB, LADHOPE

4. There had been circulated copies of a report by the Service Director Commercial Services seeking consent of Galashiels Common Good Fund Sub Committee to grant a new lease of Ladhope Golf Course to Galashiels Golf Club. The report explained that in 1992 Ettrick and Lauderdale District Council granted a lease to Galashiels Golf Club for the 99 acres at Ladhope Golf Course. The lease was for 21 years and therefore expired on 31 March 2013 albeit it had continued on a year to year basis under tacit relocation. The Golf Club had a proposal to install a practice area and other improvements which could cost £100,000. In order to raise the grant funding a new lease was required to give security of tenure to the club. The report further explained that the area for the proposed lease was now 24.78 hectares (61 acres) since the course had been reduced to nine holes. A plan appended to the report showed the area subject to the lease, the position of the proposed practice area and the area excluded from the lease. The terms of the proposed lease included a nominal rent of £1 per year and a 25 year period. The report went on to confirm the terms of the lease in respect of maintenance responsibilities for landlord and tenant. The report also advised that there had been discussions with the Borders Forest Trust regarding the remaining land not being used by the Golf Club. These 38 acres were the old 'back 9' holes which were currently not being cut or maintained. Members discussed the report and agreed to the new lease. They received answers

from the Estates Surveyor about maintenance of the estate and proposals for the land not included in the lease.

DECISION

AGREED to grant a new lease to Galashiels Golf Club for the land and clubhouse at Ladhope Golf Course; the terms of the lease to include a nominal rent of £1 per year, a period of 25 years, and any other terms the Service Director Commercial Services deemed appropriate.

The meeting concluded at 2.45 pm.

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SCOTTISH BORDERS COUNCIL
GALASHIELS COMMON GOOD FUND SUB COMMITTEE

MINUTE of MEETING of the GALASHIELS COMMON
GOOD FUND SUB COMMITTEE held in Committee
Room 1, Council Headquarters on Thursday,
19 December 2014 at 9.00 a.m.

Present: Councillors B. White (Chairman), S. Aitchison, B. Herd, J. G. Mitchell.
Apologies: Community Councillor Mr Richard Kenney (Galashiels and Langlee
Community Council).
In attendance: Chief Financial Officer, Legal and Licensing Services Manager, Managing
Solicitor (H. MacLeod), Estates Surveyor (J. Morison), Democratic Services
Officer (F. Walling).

Member of the Public: 1

REVIEW OF HERITABLE ASSETS IN FORMER BURGH OF GALASHIELS

1. With reference to paragraph 3 of the Minute of 4 September 2014, there had been circulated copies of a report by the Service Director Regulatory Services to advise Members of the outcome of the work done to review the heritable property assets held by the Council within the former Burgh of Galashiels to ensure that the correct listing was recorded with the Accounts and Registers of the Council. Managing Solicitor, Hannah MacLeod, explained that work had been undertaken to review the assets recorded in Galashiels which were currently held within the Council's General Fund. The titles for all assets held on the Council's balance sheet were identified, located and researched. Additionally the minutes and accounts of the former burgh council had been examined where questions arose as to the nature of the title of the asset. An extract of the Council asset register for the town of Galashiels as at 31 March 2014 was attached as an Appendix to the report.
2. As a result of the work undertaken the following assets had been identified as assets which were now required to be recorded within the ownership of the Galashiels Common Good Fund as Common Good assets (the reference in brackets being as identified in the asset register):-
 - Bank Street Gardens (GL040/05)
 - *- Ladhope Drive Car Park – site only (GL006/06)
 - *- Ladhope Golf Course (GL039/01)
 - *- Ladhope Woodland (GL039/02)
 - *- Ladhope Glen Park (GL039/03)
 - *- Ladhope recreation ground (GL039/04)
 - Old Gala House (GL036/01)
 - Mercat Cross (GL041/06)
 - (Sir Walter) Scott statue (GL041/03)
 - Old Town Cemetery (GL045/04)
 - Amenity ground at Halliburton Place
 - Leabrae Playground
 - Small area of Netherdale Playing Field

* The assets marked with an asterisk were currently recorded as owned by the Council in terms of the Ladhope Bequest.

3. The report went on to give the reasoning for the decisions regarding the designations of the above assets and their Net Book Value in the Council's accounts as at 31 March 2014. In order to reflect the determination that these assets should be included in the Common Good Assets rather than the General Fund Assets the Chief Financial Officer would make the necessary adjustments to the Balance sheet and asset registers as at 1st April 2014. This would increase the value of Common Good property by £324,460 in perpetuity and decrease the value of Council owned assets by the same amount.
4. In discussing the report it was noted that all income from and expenditure relating to these assets, would now rest with the Galashiels Common Good Fund and not with the General Fund of the Council, with effect from the 1st April 2014. The Chief Financial Officer advised that as the report under consideration was concerned with the title of the assets only, the financial issues would be picked up in the next monitoring report, together with details of cash and investment balances from the Ladhope Trust. In response to concern about maintenance costs associated with certain assets, such as Old Gala House, the Legal and Licensing Manager confirmed that the Council would continue to meet the cost of maintenance of those assets which it currently occupied and/or used. Members of the Sub Committee, and member of the public Mr Drew Tulley, drew attention to certain areas of land which they considered were missing from the asset register appended to the report. The Legal and Licensing Manager emphasised that the work carried out was on the assets as recorded on the lists obtained from previous councils. If, from local knowledge, it was suggested that there were additional areas of land that had been omitted from the lists these should be investigated further.
5. It was agreed that the assets identified in the report be recorded as assets of the Galashiels Common Good Fund. It was further proposed that an informal meeting be carried out to include Councillors White, Mitchell, Mr Tulley and a representative from the Council's estates section to discuss whether there were any omissions to the asset register for Galashiels which was used as a basis for the research. The Chairman thanked the Legal Services team for the significant volume of work carried out in identifying the Common Good assets.

**DECISION
AGREED:-**

- * (a) **to RECOMMEND that Council:-**
- (i) **approves the recording of the assets identified in the report as assets of the Galashiels Common Good Fund; and**
 - (ii) **instructs the Chief Financial Officer to amend the Asset Registers of the Galashiels Common Good Fund and the Council accordingly;**
- (b) **that further work be undertaken to ensure the accuracy of the asset register for Galashiels; and**
- (c) **that future meetings of the Sub Committee be held on a quarterly basis to facilitate financial monitoring.**

The meeting concluded at 9.40 a.m.

Monitoring Report for 9 Months to 31 December 2014

Report by the Chief Financial Officer

Galashiels Common Good Sub Committee**19 February 2015**

1 PURPOSE AND SUMMARY

- 1.1 **This report sets out details of transactions on the Galashiels 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 surplus of £3,575 for the year.
- 1.3 Appendix 2 provides a projected Balance Sheet to 31 March 2015, which shows a projected usable cash balance at this date of 8,329. It also shows a projected increase in the Capital Reserve of £20,369, representing the value of the investment in the Newton Fund.
- 1.4 The balance sheet shown on Appendix 2 now also includes the assets which were agreed to be recorded as assets of the Galashiels Common Good Fund at the Common Good Sub Committee meeting of 19 December 2014.

2 RECOMMENDATIONS

- 2.1 **It is recommended that the Common Good Sub Committee:**
 - (a) **Agrees the projected out-turn for 2014/15 in Appendix 1 as the approved budget for 2014/15.**
 - (b) **Notes the projected Balance Sheet as detailed in Appendix 2.**
 - (c) **Notes the current position of the investment in the Newton Fund as detailed in Appendix 3.**

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 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 surplus of £3,575.

Income & Expenditure - Non-Property Related Income

- 4.2 The projected out-turn includes an estimate for the interest receivable on cash deposited with the Council. This, however, this 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%.
- 4.3 The Capital Reserve is invested in the Newton Fund. The Newton Fund is currently anticipated to return income of £100 at the end of February 2015 and the budget for the year has been updated to reflect this.
- 4.4 As disclosed in the report submitted to the Galashiels Common Good Sub Committee on 4 September 2014, no income was transferred from the Ladhope Funds for 2013/14, with provision being made instead for the receipt of 2 years income from this source in 2014/15.

Income & Expenditure - Grants and Other Donations

- 4.5 There is no budget provision for the distribution of grants, as agreed in the prior monitoring report of 4 September 2014.

Income & Expenditure - Depreciation

- 4.6 As the Galashiels Common Good Fund has fixed assets, a provision for depreciation of these fixed assets of £11,000 has now been included for 2014/15. This depreciation is to be funded from the revaluation reserve.

Balance Sheet

- 4.7 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.

Fixed Assets

- 4.8 The balance sheet includes the addition of the fixed assets identified in the report on 19 December 2014. Note that certain heritage assets have no book valuation as per the accounting policy.
- 4.9 All fixed assets of the Common Good Fund are revalued every 5 years as part of the Council's rolling program. The fixed assets currently shown on the Balance Sheet are due for revaluation from 1st 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.

Stock

- 4.10 The stock figure relates to the stock of the "History of Galashiels" books and the stock is valued at £5 per book.

Usable Cash Balance

- 4.11 The usable cash held by the fund is projected to be £8,329, an in year projected decrease of £16,425. The projected cash movement for 2014/15 is broken down as follows:

Projected Cash Balance	£
Opening Balance at 1.4.14	24,754
Invested in the Newton Fund	(20,000)
Projected surplus for year from Income & Expenditure Statement	3,575
Projected Closing Balance at 31.3.15	8,329

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 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, 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:

Previous Minute Reference:

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

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Email: treasuryteam@scotborders.gov.uk

GALASHIELS COMMON GOOD FUND

PROJECTED INCOME AND EXPENDITURE 2014/15

	ACTUAL TO 31/12/14	FULL YEAR BUDGET	FULL YEAR PROJECTED OUTTURN	PROJECTED OVER/(UNDER) SPEND	Para Ref	COMMENTARY
	£	£	£	£		
Non-Property Related Income						
Interest on cash deposited with Council	-	(75)	(75)	-	4.3	
Newton Fund investment - Dividends receivable	-	-	(100)	(100)	4.4	Dividend to be received in Feb 2015
Donations from Ladhope Trust	-	(4,000)	(4,000)	-		
Total Income	-	(4,075)	(4,175)	(100)		
Running Costs						
Central Support Service Charge	-	1,922	1,922	-		
TBC Grant towards Service Charge	-	(1,322)	(1,322)	-		
Net Running Costs	-	600	600	-		
Depreciation						
Depreciation charge	-	-	11,000	11,000		Estimate based on current Net Book Values
Contribution from Revaluation Reserve	-	-	(11,000)	(11,000)		
Net impact of depreciation on the revenue reserve	-	-	-	-		
Total Net (Surplus)/Deficit for the year		(3,475)	(3,575)	(100)		

GALASHIELS 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 £
Fixed Assets			
Bank Street Gardens	-	-	-
Ladhope Drive Car Park	-	-	-
Ladhope Golf Course	-	74,250	74,250
Ladhope Woodland	-	8,800	8,800
Ladhope Glen Park	-	-	-
Ladhope recreation ground	-	-	-
Old Gala House	-	220,341	220,341
Mercat Cross	-	-	-
Sir Walter Scott Statue	-	-	-
Old Town Cemetery	-	-	-
Amenity Ground at Halliburton Place	-	10,069	10,069
Leabrae Playground	-	-	-
Small area of Netherdale Playing Field	-	-	-
Total Fixed Assets	-	313,460	313,460
Capital in Newton Investment Fund Market Value as at 31.12.14¹	-	20,369	20,369
Current Assets			
Stock	265	-	265
Cash deposited with SBC	24,754	(16,425)	8,329
Current Liabilities			
Creditors	-	-	-
Net Assets	25,019	317,404	342,423
Funded by:			
Reserves			
Revenue Reserve	(25,019)	16,425	(8,594)
Capital Reserve	-	(20,369)	(20,369)
Revaluation Reserve	-	(313,460)	(313,460)
Total Reserves	(25,019)	(317,404)	(342,423)

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

Galashiels Common Good

INVESTMENTS

£

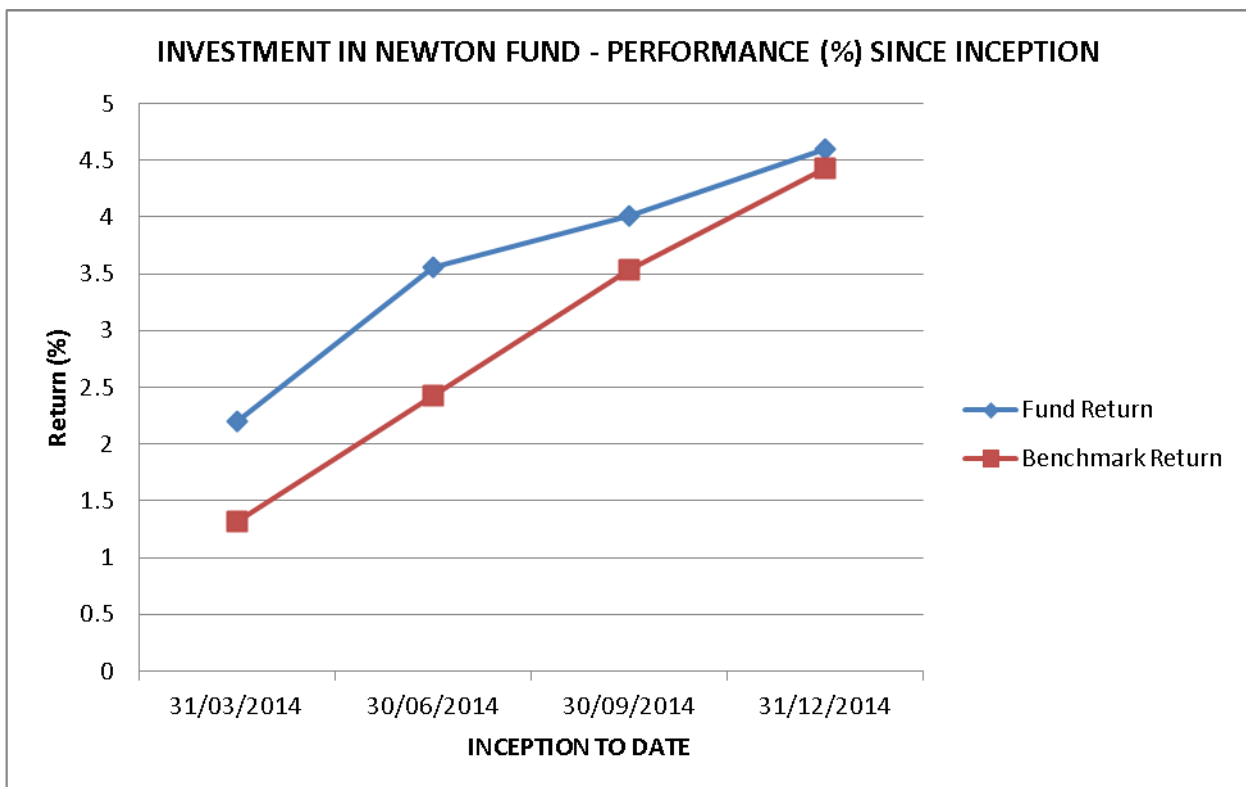
Investments

Investments externally managed in Newton Real Return Fund

Cost of Investment 20,000

Value at 31.12.14 20,369

Since inception the capital value of the investment has increased from £20,000 to £20,369. A dividend is expected to be received at the end of February 2015.



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Gala Common Good

Meeting on Monday 16th February 2015

Present: Cllrs Bill White, John Mitchell, Drew Tulley; Neil Hastie, James Morison

Areas of Query:

2 houses next to Ladhope Golf Course – sale of house plots to be checked

Car park off A7 at Ladhope

High Road woodland and/or park – ownership query

Is Heathersyde Cemetery car park Common Good or SBC?

High Street car park – parking spaces in Co-Op ownership?

Woodland at rear of Burgh School

Former tennis courts next to 230 Wood Street, between cycle path and A72

Waverly Place playpark in Netherdale

Langlee Centre play park and pitch

Winston Road recreation ground, next to Holequest and railway

Hen trap steps at Haliburton Place

Triangle of land at Mill Lade off Lee Brae

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