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## DUNS COMMON GOOD FUND SUB-COMMITTEE THURSDAY, 2ND JUNE, 2016

A MEETING of the DUNS COMMON GOOD FUND SUB-COMMITTEE will be held in the COUNCIL CHAMBER, NEWTOWN STREET, DUNS on THURSDAY, 2ND JUNE, 2016 at 6.00 PM.

J. J. WILKINSON,  
Clerk to the Council,  
28 May 2016

<b>BUSINESS</b>		
1.	<b>Apologies for Absence.</b>	
2.	<b>Order of Business.</b>	
3.	<b>Declarations of Interest.</b>	
4.	<b>Minute (Pages 1 - 4)</b>  Minute of Meeting of 3 September 2015. (Copy attached.)	2 mins
5.	<b>Financial Monitoring for 12 Months to 31 March 2016 (Pages 5 - 12)</b>  Consider report by the Chief Financial Officer. (Copy attached.)	10 mins
6.	<b>10 South Street, Duns</b>  Verbal update by Legal Services.	10 mins
7.	<b>Any Other Items Previously Circulated.</b>	
8.	<b>Any Other Items which the Chairman Decides are Urgent.</b>	

### 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 F. Renton (Chairman), J. Greenwell and D. Moffat.  
Community Councillor A. Affleck.

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Please direct any enquiries to Pauline Bolson. Tel: 01835 826503  
[pbolson@scotborders.gov.uk](mailto:pbolson@scotborders.gov.uk)

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

MINUTES of Meeting of the DUNS COMMON GOOD FUND SUB-COMMITTEE held in the Bunker Room, Council Offices, Newtown Street, Duns on Thursday, 3 September, 2015 at 5.10 pm

Present:- Councillors F. Renton (Chairman), J. Greenwell and D. Moffat  
Community Councillor A Affleck (from Item 3).  
In Attendance:- Corporate Finance Manager (L Mirley), Principal Solicitor (H MacLeod),  
Democratic Services Officer (P Bolson).  
Members of the Public:- 0

1. **MINUTE**

There had been circulated copies of the Minute of the Duns Common Good Fund Sub-Committee of 5 March 2015.

**DECISION**

**AGREED to note the Minute.**

2. **MONITORING REPORT FOR 12 MONTHS TO 31 MARCH 2015**

There had been circulated copies of a report by the Chief Financial Officer which provided the year end outturn for the Duns Common Good Fund for 2014/15 including balance sheet values at 31 March 2015 and the proposed budget for 2015/16. Appendix 1 gave the details of the actual income and expenditure for 2014/15, showing a deficit of £3,095 with a projected deficit of £3,494 for 2015/16. Appendix 2 gave the balance sheet value as at 31 March 2015 and this showed a decrease in the Reserves of £4,290 which was due to the deficit for the year. The outcome of the investigations into ownership and responsibility for 10 South Street had yet to be considered and there had therefore been no investment into the Newton Fund at this juncture. Appendix 3 provided a breakdown of the property portfolio showing the effect of revaluation. It was noted that the only property currently listed was that at 10 South Street, Duns. The matter of insurance of the property at 10 South Street was raised and Members were informed that this would be covered under the Scottish Borders Council block insurance policy.

**DECISION**

**(a) NOTED:-**

- (i) the actual income and expenditure position for 2014/15 as detailed in Appendix 1;**
- (ii) the final balance sheet value to 31 March 2015 as detailed in Appendix 2; and**
- (iii) the summary of the property portfolio as detailed in Appendix 3.**

**(b) AGREED the proposed budget for 2015/16 as shown in Appendix 1.**

3. **10 SOUTH STREET, DUNS**

There had been circulated copies of a report by the Service Director Regulatory Services, updating Members on the progress of work being undertaken by Legal Services in relation to the property at 10 South Street, Duns. The report detailed the recent communications with the Queens and Lord Treasurer's Remembrancer (QLTR) in respect of ascertaining title to the said property and highlighted risks involved with the subjects. The report gave the background to this property and explained how the Council had reached the current position. The QLTR had instructed Scottish Borders Council to carry out a number of

steps to establish the provenance of the title to these subjects. None of the searches had been successful and as a result, the QLTR had now confirmed that she considered the subjects "ownerless", despite Duns Common Good Fund's usage over the past 75 years. In effect, this meant that the Council could not formalise title to the subjects and could not, therefore, make arrangements to sell the property. The QLTR advised that she was willing to take over the subjects with a view to selling them for the Crown. No proceeds would pass to the Common Good Fund and there were conditions attached to this offer, one of which was that the Council or Common Good Fund would be responsible for the cost of a survey of the property. It was noted that the cost of such a survey would be repaid to either the Council or the Common Good Fund on the sale of the property. It was noted that the QLTR had stated her preference to act with the agreement of all involved parties and would be reluctant to take title to the subjects unless the community and the Common Good Fund were in agreement with this course of action. Discussion followed and Mrs MacLeod responded to questions from Members. The QLTR's decision was made under new legislation and there was no recourse to reclaim any money that the Common Good Fund had already spent on the property at 10 South Street. Mrs MacLeod explained that there was a gap in the records for the property and it was during that gap that ownership changed, leaving no evidence of title. It was possible that the QLTR could decide not to take over the property. Her decision would be based on the survey she received and it was noted that, should she decide not to take over the property, the expectation was that the Council would then be permitted to record title. Mrs MacLeod stated that she would seek confirmation from the QLTR on this point. Mrs MacLeod would also liaise with Mr James Morison in Estates to ascertain what previous surveys had been carried out and it was agreed that the most recent document would be offered to the QLTR at this stage. Members were aware that the QLTR could request that either an updated survey was provided or that a new survey was carried out prior to any decision being reached. Further discussion followed regarding the physical state of the property and whether it would be necessary for Enforcement measures to be used in order to make the property safe.

#### **DECISION**

**(a) NOTED the report.**

**(b) AGREED that Legal Services :-**

- (i) would be instructed to accept the Queens and Lord Treasurer's Remembrancer's offer to take title of the subjects known as 10 South Street, Duns; and**
- (ii) would offer the Queens and Lord Treasurer's Remembrancer the most recent survey of the property at 10 South Street, Duns; or**
- (iii) that an updated survey of the property at 10 South Street, Duns be provided to the Queens and Lord Treasurer's Remembrancer should this be required; or**
- (iv) that a new survey of the property at 10 South Street, Duns be provided to the Queens and Lord Treasurer's Remembrancer should this be required.**

#### **4. REVIEW OF HERITABLE ASSETS IN THE FORMER BURGH OF DUNS**

There had been circulated copies of a report by the Service Director Regulatory Services which gave details of the outcome of a review of heritable property assets held by the Council within the former Burgh of Duns. This work was undertaken to ensure that the correct listing was recorded with the Accounts and Registers of the Council and to ensure that the Asset Register was correct in relation to Common Good matters. The Appendix to the report gave the reasoning behind the designations of the Burgh assets and the report highlighted one asset which was currently listed on the General Account but which

should be recorded as a Common Good asset, namely the Showground Car Park (The Square) (DN010/02). Discussion followed regarding this asset and Members were informed that it was part of an adopted road and of no financial value. With reference to questions raised by Members, Mrs MacLeod would investigate further the status of the Town House building and also confirmed that 10a and 10b Station Court, and the Volunteer Hall were rented by the Council, as stated on the Asset Register. It was noted that the Public Park Former Toilet (DN015/01) had been demolished therefore this entry would be amended in due course. Members were also advised that a re-evaluation of all the Council's road assets was due to take place during the next 12 months and that the Duns Common Good Fund Sub-Committee would be updated when this exercise had been completed.

**DECISION**

**(a) NOTED the report.**

**(b) AGREED:-**

- (i) that the Showground Car Park be recorded as an asset of Duns Common Good Fund;**
- (ii) that further investigation be undertaken to ascertain the current status of the property known as The Townhouse, Market Square, Duns; and**
- (iii) that the Asset Register would be amended by the Section 95 Officer as detailed in the Minute.**

**5. CHARITIES TRUST FUNDS**

Ms Mirley informed Members that the recently formed Charities Trusts Sub-Committees were now included in Scottish Borders Council's Scheme of Administration. Members would be asked for their views as to the format and content of future reports in respect of the Berwickshire Charities Trusts Fund which would be presented to Duns Common Good Fund Sub-Committee. Guidance would also be provided in respect of accessing available money within the Berwickshire Charities Trusts Fund.

**DECISION**

**NOTED.**

***The meeting concluded at 5.40 pm***

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## **Monitoring Report for 12 Months to 31 March 2016**

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### **Report by the Chief Financial Officer**

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### **Duns Common Good Sub Committee**

**2 June 2016**

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#### **1 PURPOSE AND SUMMARY**

- 1.1 This report provides the details of the income and expenditure for the Duns Common Good Fund for the year 2015/16 including balance sheet values 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 deficit of £2,219 and a projected deficit of £2,632 for 2016/17.
- 1.3 Appendix 2 provides a balance sheet value to 31 March 2016. It shows a decrease in the reserves of £2,219, representing the deficit incurred in the year.
- 1.4 Appendix 3 provides a breakdown of the property portfolio showing property expenditure to 31 March 2016.

#### **2 STATUS OF REPORT**

- 2.1 Due to the timing of this meeting, it has not been possible to incorporate consultation comments from mandatory consultees. Any responses received will be made available at the meeting.

#### **3 RECOMMENDATIONS**

- 3.1 **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 to 31 March 2016 in Appendix 2; and**
  - (d) Notes the summary of the property portfolio in Appendix 3.**

## 4 BACKGROUND

4.1 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.

## 5 FINANCIAL POSITION 2015/16

5.1 Appendix 1 provides detail on income and expenditure for the 2015/16 financial year.

### 5.2 **Income & Expenditure – Rental Income**

There is no rental income due from the Duns Common Good properties.

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

The final outturn shows a total of £67 which relates to interest earned on cash deposited with Scottish Borders Council. The annual rate of interest applied to the cash deposits is 0.36%.

### 5.4 **Income & Expenditure – Property Expenditure**

The final outturn shows a total spend of £1,715 including £761 Legal expenses and £734 rates costs relating to the South Street property. As no income is derived from this property, these costs continue to erode the resources of the Common Good Fund.

### 5.5 **Income & Expenditure – Grants & Other Donations**

There were no grants and other donations distributed to 31 March 2015. There are currently no other outstanding commitments.

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

### 5.7 **Balance Sheet – Fixed Assets**

Appendix 3 shows the values of the individual properties at 31 March 2015, depreciation charges 2015/16 and value at 31 March 2016. The property at 10 South Street is fully depreciated and has a net book value of nil. As we have been unable to establish a formal legal title to these subjects, the property is subject to a proposed transfer to the Queen's & Lord Treasurer's Remembrancer (QLTR). It is anticipated that upon this transfer, the property will be sold with the QLTR retaining all proceeds net of valuation costs incurred by Duns Common Good which will be refunded.

5.8 The value of the land amounts to £2,500 as detailed in Appendix 3 and attracts no depreciation charge.

### 5.9 **Balance Sheet – Cash Balance**

The cash held by the fund is £17,302, an in year net decrease of £2,219. The cash movement for 2015/16 is as follows:

<b>Cash Balance at 1 April 2015</b>	<b>£</b>
Opening Balance at 1 April 2015	19,521
Deficit for year from Income & Expenditure Statement	(2,219)
<b>Closing Balance at 31 March 2016</b>	<b>17,302</b>



## 6 IMPLICATIONS

### 6.1 Financial

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

### 6.2 Risk and Mitigations

Subject to the outcome of the transfer of No. 10 South Street as detailed in paragraph 5.7, there is a continued risk of maintaining the property, incurring related costs with no rental income being generated.

### 6.3 Equalities

It is anticipated that there are no adverse equality implications arising from the proposals contained in this report.

### 6.4 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.

### 6.5 Carbon Management

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

### 6.6 Rural Proofing

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

### 6.7 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.

## 7 CONSULTATION

- 7.1 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 any comments received will be tabled at the meeting.

### 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:** Duns Common Good Committee 3 September 2015.

**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 825011

Email: [treasuryteam@scotborders.gov.uk](mailto:treasuryteam@scotborders.gov.uk)

## DUNS 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
<b>Non-Property Related Income</b>						
Interest on Cash deposited with Council	(67)	(77)	10	(61)	4.3	Calculated at 0.36%
<b>Total Income</b>	<b>(67)</b>	<b>(77)</b>	<b>10</b>	<b>(61)</b>		
<b>Property Expenditure</b>						
Property Costs – General	1,715	1,500	215	2,000	4.4	10 South Street
<b>Total Property Expenditure</b>	<b>1,715</b>	<b>1,500</b>	<b>215</b>	<b>2,000</b>		
<b>Grants &amp; Other Donations</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		
<b>Running Costs</b>						
Central Support Service Charge	2,029	2,029	0	2,029		
SBC Grant towards Service Charge	(1,458)	(1,458)	0	(1,458)		
<b>Net Running Costs</b>	<b>571</b>	<b>571</b>	<b>0</b>	<b>571</b>		
<b>Depreciation</b>						
Depreciation Charge	0	0	0	0		
Contribution from Revaluation Reserve	0	0	0	0		
<b>Net impact of Depreciation on Revenue Reserve</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		
<b>Total Net (Surplus)/Deficit for year</b>	<b>2,219</b>	<b>1,994</b>	<b>225</b>	<b>2,632</b>		

## DUNS 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 £
<b>Fixed Assets</b>				
Land & Buildings	2,500	0	2,500	2,500
Moveable Assets	0	0	0	0
Feu Duties	0	0	0	0
<b>Total Fixed Assets</b>	<b>2,500</b>	<b>0</b>	<b>2,500</b>	<b>2,500</b>
<b>Current Assets</b>				
Debtors	0	0	0	0
Cash deposited with SBC	19,521	(2,219)	17,302	14,670
	<b>19,521</b>	<b>(2,219)</b>	<b>17,302</b>	<b>14,670</b>
<b>Current Liabilities</b>				
Creditors	0	0	0	0
<b>Net Assets</b>	<b>22,021</b>	<b>(2,219)</b>	<b>19,802</b>	<b>17,170</b>
<b>Funded by:</b>				
<b>Reserves</b>				
Revenue Reserve	(19,521)	2,219	(17,302)	(14,670)
Capital Reserve	(225)	0	(225)	(225)
Revaluation Reserve	(2,275)	0	(2,275)	(2,275)
<b>Total Reserves</b>	<b>(22,021)</b>	<b>2,219</b>	<b>(19,802)</b>	<b>(17,170)</b>

## DUNS 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 £
DN010/01 – Showground Car Park	0	0	0	-	0	0	0	0	0
DN012/01 – South Street	2,550	0	2,500	-	58	804	43	811	1,715
<b>Total</b>	<b>2,550</b>		<b>2,500</b>	<b>-</b>	<b>58</b>	<b>804</b>	<b>43</b>	<b>811</b>	<b>1,715</b>

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