

SCOTTISH BORDERS COUNCIL

LAUDER COMMON GOOD FUND SUB-COMMITTEE

MINUTES of Meeting of the LAUDER
COMMON GOOD FUND SUB-COMMITTEE
held in Convener's Office, Council
Headquarters, Newtown St Boswells on
Tuesday, 20 June 2017 at 1.00 pm

Present:- Councillors D. Parker, K. Drum, T. Miers and Smith.
In Attendance:- Capital and Investment Manager (K Robb), Principal Solicitor (H MacLeod),
Estates Manager (N Hastie), Democratic Services Officer (P Bolson).

1. **APPOINTMENT OF CHAIRMAN AND VICE-CHAIRMAN.**

As this was the first meeting of the Lauder Common Good Fund Sub-Committee following the Local Government Election in May 2017, nominations were invited for the role of Chairman of the Sub-Committee. Councillor Parker proposed himself as Chairman and suggested that his appointment would be reviewed midway through the current term of office. There were no other nominations and Councillor Parker was therefore appointed as Chairman. Nominations were then invited for the role of Vice-Chairman. Councillor Drum, proposed by Councillor Parker and seconded by Councillor Miers, was duly appointed as Vice-Chairman.

DECISION

AGREED that:-

- (a) **as there were no other nominations, Councillor D Parker was duly appointed as Chairman and Councillor K Drum was appointed as Vice-Chairman; and**
- (b) **these appointments be reviewed midway through the current term of office.**

2. **MINUTE.**

There had been circulated copies of the Minute of 21 February 2017.

DECISION

NOTED for signature by the Chairman.

3. **FINANCIAL MONITORING REPORT FOR PERIOD TO 31 MARCH 2017.**

- 3.1 There had been circulated copies of the income and expenditure for the twelve months to 31 March 2017, including the balance sheet values for the period and proposed budget for 2017/18. Ms Robb highlighted the main points of the report and appendices. Appendix 1 to the report provided the actual Income and Expenditure position for 2016/17, showing a surplus of £6,282, significantly more than the variance reported to the February 2017 meeting. The variance was largely due to higher than anticipated Newton Investment dividends and lower than anticipated grant expenditure. A surplus of £1,645 was projected for 2017/18. Appendix 2 to the report detailed the Balance Sheet value as at 31 March 2017 and showed a decrease in the reserves of £5,984. The breakdown of the property portfolio showing the actual rental income and property expenditure along with the depreciation charge for 2016/17 where applicable, was shown in Appendix 3. Appendix 4 provided details of investments externally managed in the Newton Real Return Fund and Appendix 5 contained a graph produced by KPMG on how the Fund had performed against that of its peers to 31 March 2017. The report provided further details on aspects of the Lauder Common Good Fund and explained that considering dividend returns across all Common Good and Trust Funds in 2016/17, the proposed budget for 2017/18 was based on a distribution of 2.4% of the Market Value at 31 March 2017.

- 3.2 Discussion followed and Ms Robb responded to Members' requests for clarification. She went on to explain that Members had expressed concern previously about the Newton Fund's performance over the most recent three quarters. Given the previous performance, Members were advised that the Fund continued to be monitored closely. Ms Robb advised that the Fund's performance had improved during the most recent quarter, yielding a positive return of 2.2% against the benchmark of 1.0% and Members noted that this was the first time the Fund had exceeded the benchmark since the second quarter in 2016. Members were advised that the Newton Fund was selected in 2013 as a dividend growth model designed to preserve Capital and produce dividends on a low risk basis. It was acknowledged that there were other, better-performing Funds available and a further report would be forthcoming from KPMG in relation to the Newton Fund going forward.

DECISION

(a) **NOTED:-**

- (i) **the actual income and expenditure for 2016/17 as detailed in Appendix 2;**
- (ii) **the final balance sheet value as at 31 March 2017 in Appendix 2;**
- (iii) **the summary of the property portfolio as contained in Appendix 3;**
- (iv) **the current position of the investment in the Newton Fund in Appendix 4;**
- (v) **the short, medium and long term performance of the Newton Fund against its peers as shown in Appendix 5.**

(b) **AGREED the proposed budget for 2017/18 as detailed in Appendix 1 to the report.**

4. **APPLICATION FOR FINANCIAL ASSISTANCE.**

There had been circulated copies of an application for financial assistance on behalf of Lauder Golf Club. The application was for £5,000 towards the purchase of a replacement ride-on mower for the Club. The application explained that the Golf Club provided sports facilities for the local Community and visitors and that it operated the highly successful Lauder Golf Course. The Club had upgraded its facilities over recent years to provide excellent club rooms and within the Community, provided opportunities such as the maintenance of local walkways and access paths on and around the golf course. The full cost of a replacement mower was in the region of £22,200. Members noted that additional funds were being sought from other sources and that Lauder Golf Club had since received notification that the application to the Awards for All Scheme had been refused. During the discussion that followed, Members requested some background information relating to the loan that Lauder Golf Club was currently repaying to the Common Good Fund; the Club's total Net Assets as detailed on the Balance Sheet at January 2017; the measures that the Golf Club had already taken to reduce their costs; and other options that the Club might consider to fund the purchase of the mower in the immediate term, eg extension of the current loan, equipment lease. Members were advised that both mowers presently used by the Golf Club were in excess of 20 years old and both would require replacement, one immediately and the other within the next two years or so. Following further discussion, it was agreed that financial assistance be granted to Lauder Golf Club in the sum of £5,000 towards the purchase of a replacement ride-on mower.

DECISION

AGREED that financial assistance be granted to Lauder Golf Club in the sum of £5,000 towards the purchase of a replacement ride-on mower.

5. **URGENT BUSINESS**

Under Section 50B(4)(b) of the Local Government (Scotland) Act 1973, the Chairman was of the opinion that the item dealt with in the following paragraph should be considered at the meeting as a matter of urgency, in view of the need to keep Members informed.

6. **ROYAL BURGH CHAIN OF OFFICE**

Members were advised that due to reorganisation by the Bank of Scotland, there was a need for the Common Good Fund Sub-Committee to agree a new location for housing the Royal Burgh of Lauder Chain of Office which was currently worn annually by the Chair of Lauder Common Riding Committee during the local festival. Members considered a number of options, including relocating the Chain to:- the Galashiels Branch of the Bank of Scotland; Thirlestane Castle; a Cultural Services museum. Following discussion, it was agreed that some further investigation was required to clarify any general conditions and other issues that were relevant to an agreement, eg insurance, access to the Chain.

DECISION

- (a) **NOTED that the Royal Burgh of Lauder Chain of Office would require to be relocated due to reorganisation by the Bank of Scotland;**
- (b) **AGREED that further investigation of available options be carried out and an update be presented to the Sub-Committee in due course.**

7. **NEXT MEETING**

The next meeting of Lauder Common Good Fund Sub-Committee was scheduled to take place on Tuesday 26 September 2017.

DECISION

NOTED.

The meeting concluded at 1.55 pm