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LAUDER COMMON GOOD FUND SUB-COMMITTEE TUESDAY, 19 FEBRUARY 2019

A MEETING of the LAUDER COMMON GOOD FUND SUB-COMMITTEE will be held in the CONVENOR'S OFFICE, COUNCIL HEADQUARTERS, NEWTOWN ST BOSWELLS on TUESDAY, 19 FEBRUARY 2019 at 2.00 pm

J. J. WILKINSON,
Clerk to the Council,

13 February 2019

BUSINESS		
1.	Apologies for Absence.	
2.	Order of Business.	
3.	Declarations of Interest.	
4.	Minute. (Pages 3 - 8) Minutes of 27 th August and 14 th November 2018 for noting. (Copies attached)	2 mins
5.	Monitoring Report for 9 Months to 31 December 2018 (Pages 9 - 18) Consider report by the Chief Financial Officer. (Copy attached).	5 mins
6.	Any Other Items Previously Circulated.	
7.	Any Other Items which the Chairman Decides are Urgent.	
8.	Private Business Before proceeding with the private business, the following motion should be approved:- "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."	
9.	Lauder Common (Pages 19 - 20) Consider woodland proposal and grazings. (Copy plan attached.)	15 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.

Membership of Committee:- Councillors D. Parker, K. Drum, T. Miers and Community Councillor A. Smith

Please direct any enquiries to

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

MINUTES of Meeting of the LAUDER
COMMON GOOD FUND SUB-COMMITTEE
held in Council Chamber, Council
Headquarters, Newtown St Boswells on
Monday, 27 August 2018 at 2.00 p.m.

Present:- Councillors D. Parker, K. Drum and T. Miers, Community Councillor A. Smith

In Attendance:- Capital and Investments Manager (K Robb), Principal Solicitor (H Macleod),
Estates Officer (A Scott), Democratic Services Officer (F Henderson).

1. **WELCOME**

The Chairman welcomed everyone to the meeting.

2. **MINUTE**

There had been circulated copies of the Minute of 19 June 2018.

DECISION

NOTED for signature by the Chairman.

3. **FINANCIAL MONITORING REPORT FOR 3 MONTHS TO 30 JUNE 2018**

There had been circulated copies of the income and expenditure for the three months to 30 June 2018 and full year projected out-turn for 2018/19 and projected balance sheet values as at 31 March 2019. Ms Robb highlighted the main points of the report and appendices. Appendix 1 to the report provided a projected income and expenditure position, showing a projected surplus of £3,649 for the year. Appendix 2 to the report provided a projected balance sheet as at 31 March 2019 and showed a projected decrease in the reserves of £7,844. The breakdown of the property portfolio showing the actual rental income for 2018/19 and actual property expenditure to 30 June 2018 was shown in Appendix 3. Appendix 4 provided details of the value of the Kames Capital Investment Fund to 30 June 2018. Discussion followed and Ms Robb responded to Members' requests for information. In response to a question about the letting of common good grazing land, Annabel Scott advised that while there was someone interested in leasing the grazing, repairs to the fencing required to be carried out, which were in hand.

DECISION

(a) **AGREED the projected income and expenditure for 2018/19 in Appendix 1;**

(b) **NOTED:-**

(i) **the projected balance sheet value as at 31 March 2019 in Appendix 2;**

(ii) **the summary of the property portfolio in Appendix 3; and**

(iii) **the current position of the investment in the Kames Capital Investment Fund in Appendix 4.**

4. **APPLICATION FOR FINANCIAL ASISTANCE
LAUDERDALE LIBRARY**

There had been circulated copies of an application for financial assistance submitted by Lauderdale Library in the sum of £764. The application explained that until 2018 the Lauderdale Library received funding from investment of the Library Fund/Ormiston Fund. This was established by SBC following the sale of Library premises in Lauder for the purpose of funding any future Library for the benefit of the residents of Lauderdale. The undertaking was made by SBC that Library surplus running costs would be funded by the Common Good, hence the application for funding to cover the unavoidable additional running costs incurred between October 2016 and September 2017 and estimated for October 2017 and September 2018 which had previously been covered by the library fund designated for improvements to the service. The application further explained that the Lauderdale Library, which was run entirely by volunteers, had been formed in 2002 following a survey of Lauderdale Residents on local service provision. There was a good selection of fiction books (children/adults), reference books and historical data relating to Lauderdale with up to 70 borrowers and families. The additional costs amounting to £764 referred to the introduction of water charges for drainage of roof water in 2017 and increased insurance premiums and electricity charges.

DECISION

AGREED that financial assistance be granted to Lauderdale Library in the sum of £764 to cover the additional costs of drainage of roof water in 2017, increased insurance premiums and electricity charges.

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 make an early decision or to keep Members informed.

6. **BURNMILL PATH**

Community Councillor Smith reported that a large tree had fallen onto the Burnmill Path, which was causing concern. Community Councillor Smith requested that the tree surgeon inspect all the trees within the vicinity of the Burnmill Path and arrange for the removal of all trees which he considered unsafe. Community Councillor Smith further advised that the fibre optic cable and gas main ran under the path.

DECISION

AGREED that the Estates Officer arrange for all trees on the boundary of the Burnmill Path, Lauder to be inspected by the Council tree surgeon and all those considered to be unsafe removed.

7. **LAUDER WOODLAND /TREE PLANTING**

With reference to paragraph 4 of the Minute of 19 June 2018, Councillor Meirs requested an update. The Estates Officer advised that at the meeting on site in August, the consensus had been to plant the tree where people liked to walk.

DECISION

AGREED that an update be provided by the Estates Officer at the next meeting.

8. **COMMON GOOD LAND**

The Estates Officer reported that work notification had been received that work would be undertaken by Scottish Power on the Common Good land beside the Lauder Primary School which would last 7 days.

**DECISION
NOTED.**

The meeting concluded at 2.25 pm

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SCOTTISH BORDERS COUNCIL LAUDER COMMON GOOD FUND SUB-COMMITTEE

MINUTE of Special Meeting of the LAUDER
COMMON GOOD FUND SUB-COMMITTEE
held in The Convener's Room, Council
Headquarters, Newtown St Boswells,
Melrose, TD6 0SA on Wednesday, 14
November 2018 at 1.50 pm

- Present:- Councillors D. Parker and T. Miers
- Apologies:- Councillors K. Drum and Community Councillor A. Smith
- In Attendance:- Pensions & Investments Manager (K. Robb), Principal Solicitor (H. Macleod),
Estates Manager (N. Hastie), Democratic Services Officer (F. Walling).

Note:- In accordance with the Chairman's wishes, which were in consideration of apologies received for the meeting, the need for a quorum and urgency of the item on the agenda, the starting time of this special meeting was brought forward from the original 2.30 pm start time.

WELCOME

The Chairman gave a welcome to the special meeting which had been arranged to consider an application to the Common Good Fund for financial assistance.

1. APPLICATION FOR FINANCIAL ASSISTANCE FROM LAUDER COMMUNITY AND LEISURE CENTRE

There had been circulated copies of an application for financial assistance submitted on behalf of Lauder Community and Leisure Centre. It was explained that the emphasis at the centre was to promote good health through provision of gym facilities and classes and to provide a relaxed and friendly social gathering place for Lauder and surrounding areas. The sum required was £5,934.70 in total: £1,288 would be used to purchase gym matting tiles for the Gym Floor; £3,000 for air conditioning in the Studio; and £1,646.70 for new energy efficient lighting. The application went on to give details of quotes received for the air-conditioning and installation of lighting. Copies of a Trustees Report and Accounts for the Year Ending 31 May 2017 were provided. The management committee planned to continue to work towards widening access to the centre and increasing involvement in the community. An example was the current discussion with the Lauderdale Men's Shed with a view to siting this new community facility on the Leisure Centre grounds. Members discussed the application and were supportive of the aims of the centre. The Estates Manager explained that officers were in the process of renegotiating a lease of the Council-owned building to the Trust with inclusion of the Men's Shed facility in the discussions. He referred to ongoing issues with the roof of the centre where poor insulation was giving rise to condensation and excessive water running down the walls onto the floor. After further consideration Members agreed to approve the application subject to finalisation of the lease between the Council and the applicant in respect of the subjects. They agreed the grant would be paid in full as soon as possible after the signed lease was returned to the Council.

DECISION

AGREED to grant £5,934,70 to Lauder Community and Leisure Centre for the purchase of gym matting tiles, for air conditioning for the Studio and for new

energy efficient lighting; payment of this grant being subject to the re-negotiated lease in respect of the subjects being signed and returned to the Council.

The meeting concluded at 2.00 pm

Monitoring Report for 9 Months to 31 December 2018

Report by the Chief Financial Officer

LAUDER COMMON GOOD SUB-COMMITTEE

19 February 2019

1 PURPOSE AND SUMMARY

- 1.1 This report provides the details of the income and expenditure for the Lauder Common Good Fund for the nine months to 31 December 2018 and full year projected out-turn for 2018/19 and projected balance sheet values as at 31 March 2019.**
- 1.2 Appendix 1 provides a projected income and expenditure position. This shows a projected deficit of £1,751 for the year, which is £5,400 more than the full year approved budget.
- 1.3 Appendix 2 provides a projected balance sheet as at 31 March 2019. It shows a projected decrease in the reserves of £13,244.
- 1.4 Appendix 3 provides a breakdown of the property portfolio showing projected rental income for 2018/19 and actual property expenditure to 31 December 2018.
- 1.5 Appendix 4 shows the value of the Kames Capital Investment Fund to 31 December 2018.

2 RECOMMENDATIONS

- 2.1 It is recommended that the Lauder Common Good Sub-Committee:**
 - (a) Agrees the projected income and expenditure for 2018/19 in Appendix 1 as the revised budget for 2018/19;**
 - (b) Notes the projected balance sheet value as at 31 March 2019 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 Kames Capital Investment Fund in Appendix 4.**

3 BACKGROUND

3.1 This report provides the Committee with financial information for the period to 31 December 2018 and projections to 31 March 2019. The report also contains a projected balance sheet for the Common Good Fund as at 31 March 2019.

4 FINANCIAL POSITION 2018/19

4.1 Appendix 1 provides details on income and expenditure for the 2018/19 financial year. The projected net position for the year is a deficit of £1,751.

4.2 Income & Expenditure – Rental Income

Rental income for 2018/19 is shown on Appendices 1 & 3 with Appendix 3 detailing the projected annual rental income by individual property.

4.3 Income & Expenditure – Non-Property Related Income

The projected outturn position shows an amount of £67 relating to interest receivable on cash held by SBC. Also included are dividends from the Common Good Funds investment in Kames Capital Investment Fund amounting to £12,429. Dividends earned to date amount to £10,272 which is in line with the overall 5% target and the monthly distribution profile projections provided by Kames.

4.4 Income & Expenditure – Property Expenditure

(a) The property expenditure to 31 December 2018 is detailed in Appendix 3 by property.

(b) The approved Budget for 2018/19 is shown in Appendix 1.

4.5 Income & Expenditure – Grants & Other Donations

The grants and other donations distributed and committed to 31 December 2018 are shown below. To allow for the possibility of other grant applicants during the year it is proposed to increase the budget to £8,000.

Grant Recipients	Approved	£
Approved and Paid to 31 December 2018		
Lauderdale Community Shed	29/06/2018	810
Lauderdale Library	18/09/2018	746
Total Paid to 31 December 2018		1,556
Approved but not yet paid		
Lauder Community Leisure Centre – approved subject to lease agreement	13/12/2018	5,935
Approved Budget 2018/19		2,600
Unallocated/(Overallocated) Budget		(4,891)

4.6 Income & Expenditure – Depreciation Charge

The depreciation charge is projected to be £11,493. This is not a cash transaction and is off-set by a corresponding contribution from the Revaluation reserve at the end of the financial year.

4.7 Appendix 2 provides the balance sheet value as at 31 December 2018, the projected movement in year and a projected balance at 31 March 2019.

4.8 **Balance Sheet – Fixed Assets**

All fixed assets of the Common Good Fund are revalued every 5 years as part of the Council's rolling programme. The fixed assets were revalued at 1 April 2014. Appendix 3 shows the values of the individual properties at 31 March 2017, projected depreciation charges 2018/19 and projected value at 31 March 2019.

4.9 **Balance Sheet – Investment Fund**

The fund has a 2.30% unrealised loss in market value since investment, largely due to continued volatility in investment markets. Overall, however taking account of the income received the fund has achieved a return of 2.05% for the year.

4.10 **Balance Sheet – Long Term Debtors**

Long Term Debtors are projected to reduce by £2,904 due to the next instalment of the loan to Lauder Golf Club. The balance of the loan will be fully repaid during 2019/20.

4.11 **Balance Sheet – Cash Balance**

The cash held by the fund is projected to be £30,293 at 31 March 2019 and is detailed below:

Cash Balance	£
Opening Balance at 1 April 2018	29,140
<i>Repayment of Principal (Long Term Debtors)</i>	
Lauder Golf Club Loan	2,904
Projected Surplus/(Deficit) for year from Income & Expenditure Statement	(1,751)
Net movement in debtors / creditors	0
Closing Balance at 31 March 2019	30,293

4.12 **Balance Sheet – Capital Reserve**

The projections for the Capital Reserves include the unrealised gain for the Kames Fund as at 31 March 2018 but due to the nature of the markets no estimate has been made for the current years' movement.

5 **IMPLICATIONS**

5.1 **Financial**

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

5.2 **Risk and Mitigations**

There is a risk that investments in the Kames Fund may reduce in value due to market or investment performance. This risk cannot be fully mitigated; however it is being 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 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.

5.5 Carbon Management

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

5.6 Rural Proofing

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

5.7 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.

6 CONSULTATION

- 6.1 The Monitoring Officer, the Chief Legal Officer, the Chief Officer Audit and Risk, Service Director 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)

Kirsty Robb Judith Whellans	Pension and Investments Manager Tel: 01835 825249 Finance Technician – Treasury & Investments Tel: 01835 824000 Extn 5901
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Background Papers:

Previous Minute Reference: Lauder Common Good Committee 13 December 2018

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 Pension & Investment Team, Council Headquarters, Newtown St Boswells, Melrose, TD6 0SA.
Tel: 01835 824000
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LAUDER COMMON GOOD FUND

INCOME AND EXPENDITURE 2018/19

	Actuals at 31/12/18	Full Year Approved Budget 2018/19	Full Year projected Out-turn 2018/19	Full Year Projected Over/ (Under) Spend £	Para Ref	Commentary
	£	£	£	£		
Property Income						
Rentals Receivable	(10,235)	(11,015)	(11,015)		4.2	
Non-Property Related Income						
Interest on Cash deposited with Council		(67)	(67)		4.3	
Investment Fund Dividends	(10,272)	(12,429)	(12,429)		4.3	
Total Income	(20,507)	(23,511)	(23,511)			
Property Costs – General	4,666	7,500	7,500		4.4	
Grants & Other Donations	1,556	2,600	8,000	5,400	4.5	
Central Support Service Charge	0	9,762	9,762			
Depreciation						
Depreciation Charge	0	11,493	11,493		4.6	
Contribution from Revaluation Reserve	0	(11,493)	(11,493)			
Net impact of Depreciation on Revenue Reserve	0	0	0			
Total Net (Surplus)/Deficit for year	(14,285)	(3,649)	1,751	5,400		

LAUDER COMMON GOOD FUND

BALANCE SHEET VALUE AS AT 31 December 2018

	Opening Balance at 01/04/18	Projected Mov ement in Year	Projected Balances at 31/03/19
	£	£	£
Fixed Assets			
Land & Buildings	993,128	(11,493)	981,635
Heritable Assets	0	0	0
Total Fixed Assets	993,128,	(11,493)	981,635
Capital in Investment Funds			
Investment in Kames Fund	248,571	0	248,571
Unrealised Gains/(Loss)	(804)	0	(804)
Market Value	247,767	0	247,767
Long Term Debtors			
Loan to Lauder Golf Club	5,809	(2,904)	2,905
Current Assets			
Debtors	7,530	0	7,530
Cash deposited with SBC	29,140	1,153	30,293
	36,670	1,153	37,823
Current Liabilities			
Creditors	(2,700)	0	(2,700)
Receipts in Advance	(981)	0	(981)
	(3,681)	0	(3,681)
Net Assets	1,279,694	(13,244)	1,266,449
Funded by:			
Reserves			
Revenue Reserve	(32,368)	1,751	(30,617)
Capital Reserve	(255,846)	0	(255,846)
Revaluation Reserve	(991,479)	11,493	(979,986)
Total Reserves	(1,279,694)	13,244	(1,266,449)

LAUDER COMMON GOOD FUND

PROPERTY PORTFOLIO PERFORMANCE FOR 2018/19
(Actual Income and Expenditure to 31 December 2018)

Fixed Assets – Land & Buildings	Net Book Value at 31/03/18 £	Depn Charge 2018/19 £	Net Book Value at 31/03/19 £	Rental Income 2018/19 £	Actual Property Expenditure at 31/12/18				
					Repairs £	Rates, Water & Power £	Ins £	Other £	Total £
Lauder Cemetery	0	0	0	0	0	0	0	0	0
Croft Road Play Area (East Side)	0	0	0	0	0	0	0	0	0
Lauder War Memorial	0	0	0	0	0	0	0	0	0
Old Castleriggs Grazings	7,000	0	7,000	390	0	0	0	0	0
Raiths Acre & Chesters Acre	12,000	0	12,000	235	0	0	0	0	0
Lauder Golf Course	72,500	0	72,500	0	0	0	0	0	0
Lauder Town Hall	44,440	6,890	37,550	0	0	1,166	0	0	1,166
Lauder Common Farm	797,228	1,943	795,285	8,800	2,672	0	0	0	2,672
Lauder Common Farm Shootings	12,000	0	12,000	1,200	0	0	0	0	0
Lauder Common Plantations	5,000	0	5,000	0	0	0	0	0	0
Land Refuse Tip (1) Grazings	1,500	0	1,500	0	0	0	0	0	0
Land Refuse Tip (2) Grazings	1,500	0	1,500	0	0	0	0	0	0
Calfward Park Grazings	6,500	0	6,500	390	0	0	0	0	0
Burnmill Woodland	0	0	0	0	0	0	0	0	0
Lauder Library (Old Jail)	18,860	2,660	16,200	0	0	0	0	0	0
Old Castleriggs Recreation Grnd	0	0	0	0	0	0	0	0	0
Land at Lauder Village Hall	11,500	0	11,500	0	0	0	0	0	0
Land at Lauder Public Toilets	600	0	600	0	0	0	0	0	0
Pavilion Site	2,500	0	2,500	0	0	0	0	0	0
Lauder Play Park	0	0	0	0	0	0	0	0	0
Lauder Recreation Park	0	0	0	0	0	0	0	0	0
Property Expenditure (Summary)	-	-	-	-		828	0	0	828
Total	993,128	11,493	981,635	11,015	2,672	1,994	0	0	4,666

**Fixed Assets –
Moveable Assets**

Charter
Snuff Mull
Certificate of Matriculation, Royal Burgh of Lauder 1938
Burgess Roll (2)
Map of Burges Acres, Royal Burgh of Lauder 1803
Set of Imperial Weight and Measures
Brass Yard Stick 1824
Burgh of Lauder Seal
Provosts Chain
Provosts Robes
Silver Punch Ladle o/w Toddy Ladle 1831

LAUDER COMMON GOOD FUND

INVESTMENTS EXTERNALLY MANAGED

Cost of Investment	Units	£
Initial Investment - 13 December 2013	104,295	195,000
Further 2013-14 Investments	2,530	5,000
Further 2015-16 Investments	21,041	40,000
Further 2016-17 Investments	5,290	10,000
Newton Fund Disinvestment (February 2018)	131,181	(250,000)
Kames Capital Investment (February 2018)	229,584	248,572
Total Invested to 31 March 2019	229,584	248,571

Value of Investment	£
31 March 2018	248,572
30 June 2018	246,298
30 September 2018	247,240
31 December 2018	233,625
Increase/(Decrease) from Total Cash Invested	(14,946)

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