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DUNS COMMON GOOD FUND SUB-COMMITTEE THURSDAY, 5 SEPTEMBER 2019

A MEETING of the DUNS COMMON GOOD FUND SUB-COMMITTEE will be held in the BERWICKSHIRE HIGH SCHOOL, LANGTONGATE, DUNS, TD11 3QG on THURSDAY, 5 SEPTEMBER 2019 at 5.00 pm

J. J. WILKINSON,
Clerk to the Council,

28 August 2019

BUSINESS		
1.	Apologies for Absence.	
2.	Order of Business.	
3.	Declarations of Interest.	
4.	Appointment of Chairman	3 mins
5.	Minute. (Pages 3 - 4) Minute of Meeting of 7 September 2017. (Copy attached).	2 mins
6.	Asset Register for Community Empowerment (Scotland) Act 2015 (Pages 5 - 6) To consider draft Asset Register and Verbal Update from Principal Solicitor. (Copy attached).	20 mins
7.	Monitoring Report for 12 Months to 31 March 2019 (Pages 7 - 14) Consider report by the Chief Financial Officer. (Copy attached).	15 mins
8.	Any Other Items Previously Circulated.	
9.	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 J. Greenwell, D. Moffat, M. Rowley and A. Mitchell

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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 Council Chamber, Newtown Street,
Duns on Thursday, 7 September 2017 at
5.30 pm

Present:- Councillors J. Greenwell and D. Moffat
Community Councillor A. Mitchell.
Apologies:- Councillors M. Rowley
In Attendance:- Principal Solicitor (H MacLeod), Capital and Investments
Manager (K Robb), Democratic Services Officer (P Bolson).
Members of the Public:- 1

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

As Councillor Rowley was unable to attend the meeting, the Sub-Committee unanimously agreed that the appointment of Chairman be held over until the next meeting. The Sub-Committee further agreed that this meeting be chaired by Councillor Greenwell.

**DECISION
AGREED.**

2. **WELCOME AND INTRODUCTIONS.**

The Chairman welcomed everyone to the meeting and introductions were made.

3. **MINUTE.**

There had been circulated copies of the Minute of the Duns Common Good Fund Sub-Committee of 2 June 2016.

**DECISION
AGREED to note the Minute.**

4. **FINANCIAL MONITORING FOR 12 MONTHS TO 31 MARCH 2017.**

4.1 There had been circulated copies of a report by the Chief Financial Officer which provided details of the income and expenditure for the Duns Common Good Fund for 2016/2017 including balance sheet values at 31 March 2017 and the proposed budget for 2017/18. Appendix 1 provided the details of the actual income and expenditure for 2016/17, showing a surplus of £779 in 2016/17 with a projected deficit of £578 for 2017/18. Appendix 2 gave the balance sheet value as at 31 March 2017 and this showed a decrease in the Reserves of £1,721, details of which were included in the report. A summary of the property portfolio showing property expenditure to 31 March 2017 was provided in Appendix 3. Ms Robb explained that following the transfer of 10 South Street, Duns to the Queen's and Lord Treasurer's Remembrancer (QLTR) in September 2016, a total of £1,695 had been refunded to the Council for legal, advertising and surveyor costs. This had been offset by utilities costs of £398 associated with the property. Appendix 3 reflected that the property had been transferred for nil consideration to the QLTR and Members noted that it had now been removed from the Council's Asset Register. The closing balance at 31 March 2017 as detailed in Appendix 2 was £18,081 and following discussion, it was agreed that the maximum amount available now be invested in the Newton Fund.

4.2 Ms Robb advised Members that a report was being presented to Council laying out the options for the future management of the Trust Funds and that a decision was awaited from the Office of the Scottish Charity Regulator (OSCR) regarding deregistration of

Common Goods Funds generally. In response to a question about the trusts/bequests currently within the area, Ms Robb confirmed that work had been ongoing for some time across the Council in relation to grouping these trusts under themes, eg Community, Welfare and Education, whilst maintaining the original ethos and intended locality for each. An update report would be presented in due course.

DECISION

(a) NOTED the:-

- (i) actual income and expenditure position for 2016/17 as detailed in Appendix 1;**
- (ii) final balance sheet value to 31 March 2017 as detailed in Appendix 2; and**
- (iii) summary of the property portfolio as detailed in Appendix 3.**

(b) AGREED:-

- (i) the proposed budget for 2017/18 as shown in Appendix 1; and**
- (ii) that the maximum amount available from the Balance Sheet now be invested in the Newton Fund.**

5. 10 SOUTH STREET, DUNS

Members received a verbal update on the current situation regarding the disposal of 10 South Street, Duns. Ms MacLeod advised that the QLTR finalised the sale of 10 South Street, Duns on 5 September 2016 and as was reflected in paragraph 3.1 above, all costs due to the Council had now been reimbursed by the QLTR.

DECISION

NOTED the update.

The meeting concluded at 5.55 pm

BURGH OF DUNS

LAND		
Name of Asset	Location	Description
Showground public car park	The Square, Duns, TD11 3ED	Open area since the mid-19 th century. Exact date of acquisition unclear as there appears to be no title deeds for the land.
ART AND ARTEFACTS		
Name of asset	Location	Description
TBC		
COMMON GOOD FUND		
Name of Asset	Location	Description
Duns Common Good Fund	N/A	Fund set up for the benefit of the inhabitants of Duns. Information about the fund and the most recent balance sheet is available from [INSERT LINK]

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Monitoring Report for 12 Months to 31 March 2019

Report by the Chief Financial Officer

DUNS COMMON GOOD FUND SUB-COMMITTEE

5 SEPTEMBER 2019

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 2018/19 including balance sheet values at 31 March 2019 and proposed budget for 2019/20.**
- 1.2 Appendix 1 provides the actual income and expenditure for 2018/19. This shows a surplus of £753 in 2018/19 and a projected surplus of £765 for 2019/20.
- 1.3 Appendix 2 provides a balance sheet value as at 31 March 2019. It shows a decrease in the reserves of £925.
- 1.4 Appendix 3 shows the value of the Kames Capital Investment Fund to 31 March 2019.

2 RECOMMENDATIONS

- 2.1 It is recommended that the Duns Common Good Sub-Committee:**
 - (a) Notes the actual income and expenditure for 2018/19 in Appendix 1;**
 - (b) Agrees the proposed budget for 2019/20**
 - (c) Notes the final balance sheet value to 31 March 2019 in Appendix 2; and**
 - (d) Notes the summary of the Kames Capital Investment portfolio in Appendix 3.**

3 BACKGROUND

3.1 This report provides the Committee with financial information for the period to 31 March 2019 and proposed budgets for 2019/20. The report also contains a projected balance sheet for the Common Good Fund as at 31 March 2020.

4 FINANCIAL POSITION 2017/18

4.1 Appendix 1 provides detail on income and expenditure for the 2018/19 financial year and the proposed budget for 2019/20.

4.2 **Income & Expenditure – Non-Property Related Income**

The final outturn shows an amount of £5 relating to interest receivable on cash held by SBC. Also included are dividends from the Common Good Fund investment in Kames Capital investment Fund amounting to £930, which is in line with the overall 5% target and the monthly distribution profile projections provided by Kames.

4.3 **Income & Expenditure – Property Expenditure**

During 2018/19 there was no property expenditure.

4.4 **Income & Expenditure – Running costs**

Appendix 2 provides the balance sheet value as at 31 March 2019 and a projected balance as at 31 March 2020.

4.5 **Balance Sheet – Newton Investment**

The fund has a 3.86% unrealised gain 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 +9.41% since investment in February 2019.

4.6 **Balance Sheet – Cash Balance**

The cash held by the fund is £1,154 at 31 March 2019 and detailed below are the movements in year:

Cash Balance	£
Opening Balance at 1 April 2018	492
Realised Loss on Investment	
Surplus/(Deficit) for year from Income & Expenditure Statement	753
Net Cash Movement in Debtors & Creditors	(73)
Kames Fund Rebate	(18)
Closing Balance at 31 March 2019	1,154

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 Capital 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, the Chief Officer HR and the Clerk to the Council are being consulted and any comments will be tabled at the meeting.

Approved by

David Robertson
Chief Financial Officer

Signature

Author(s)

Kirsty Robb Sara Halliday	Pension and Investments Manager Tel: 01835 825249 Treasury Business Partner, – Tel: 01835 824000 Extn 5854
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Background Papers:

Previous Minute Reference: Duns Common Good Committee 6 September 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

Fax: 01835 825166

Email: t&cteam@scotborders.gov.uk

DUNS COMMON GOOD FUND

INCOME AND EXPENDITURE 2018/19

	Actuals at 31/03/19 £	Full Year Budget 2018/19 £	Over/ (Under) Spend 2018/19 £	Proposed Budget 2019/20 £	Para Ref	Commentary
Non-Property Related Income						
Interest on Cash deposited with Council	(5)	(0)	(5)	(5)	5.2	
Investment Fund – Dividends rec'd	(930)	(840)	(90)	(960)		
Kames Fund Rebate	(18)	0	(18)	0		
Total Income	(953)	(840)	(113)	(965)		
Property Expenditure						
Property Costs – General	0		0	0	5.3	
Total Property Expenditure	0	0	0	0		
Grants & Other Donations	0	0	0	0		
Running Costs						
Central Support Service Charge	200	200	0	200		
Net Running Costs	200	200	0	200		
Total Net (Surplus)/Deficit for year	(753)	(640)	(113)	(765)		

DUNS COMMON GOOD FUND

PROJECTED BALANCE SHEET VALUE AT 31 March 2019

	Opening Balance at 01/04/18 £	Movement in Year 2018/19 £	Closing Balance at 31/03/19 £	Projected Balances at 31/03/20 £
Capital Investments				
Investment Fund Book				
Costs	17,031	18	17,049	17,049
Gains/Loss	(54)	172	118	118
Market Value	16,977	190	17,167	17,167
Current Assets				
Debtors	0	73	73	73
Cash deposited with SBC	492	662	1,154	1,919
	492	735	1,227	1,992
Current Liabilities				
Creditors	0	0	0	0
Net Assets	17,469	925	18,394	19,159
Funded by: Reserves				
Revenue Reserve	(17,469)	(807)	(18,276)	(19,041)
Capital Reserve	0	(118)	(118)	(118)
Revaluation Reserve	0	0	0	0
Total Reserves	(17,469)	(925)	(18,394)	(19,159)

DUNS COMMON GOOD FUND

INVESTMENTS EXTERNALLY MANAGED

Cost of Investment	Units	£
Kames Capital Investment (February 2018)	15,731	17,031
Kames Fund Rebate	16	18
Total Invested to 31 March 2019	15,749	17,049

Value of Investment	£
February 2018	17,031
March 2018	16,977
March 2019	17,167
Increase/(Decrease) from Total Cash Invested	118

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