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GALASHIELS COMMON GOOD FUND SUB COMMITTEE THURSDAY, 10 SEPTEMBER 2020

A MEETING of the GALASHIELS COMMON GOOD FUND SUB COMMITTEE will be held on THURSDAY, 10 SEPTEMBER 2020 at 10.00 am. The Chairman has directed that this meeting will be conducted in accordance with Section 43 of the Local Government in Scotland Act 2003 and will be accessed remotely by Members via MS TEAMS. The meeting will be live streamed to the public and a link will be on the Council website.

J. J. WILKINSON,
Clerk to the Council,

3 September 2020

BUSINESS		
1.	Apologies for Absence.	
2.	Order of Business.	
3.	Declarations of Interest.	
4.	Minute. (Pages 3 - 6) Minute of meeting of 20 June 2019 to be approved and signed by the Chairman (copy attached).	2 mins
5.	Financial Monitoring Reports Consider following reports by Executive Director Finance & Regulatory:	20 mins
	(a) Monitoring Report for 12 months to 31 March 2020 and Proposed Budget for 2020/21 (Pages 7 - 16)	
	(b) Monitoring Report for 3 months to 30 June 2020 (Pages 17 - 26)	
6.	Provision of charging points for electric cars in Galashiels. Discussion	15 mins
7.	Any Other Items Previously Circulated.	
8.	Any Other Items which the Chairman Decides are Urgent.	
9.	Items likely to be taken in private	

	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.”	
10.	Property Matter relating to a piece of land adjacent to Ladhope Golf Course	10 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 S. Aitchison (Chairman), A. Anderson, E. Jardine, H. Scott and Community Councillor R. Kenney.

Please direct any enquiries to Fiona Walling 01835 826504
Email:- fwalling@scotborders.gov.uk

**SCOTTISH BORDERS COUNCIL
GALASHIELS COMMON GOOD FUND SUB COMMITTEE**

MINUTE of Meeting of the GALASHIELS
COMMON GOOD FUND SUB COMMITTEE
held in Committee Room 3, Council
Headquarters, Newtown St Boswells. TD6
0SA on Thursday, 20 June 2019 at 2.00 pm

Present:- Councillors S. Aitchison (Chairman), A. Anderson, E. Jardine and Community
Councillor R. Kenney

Apologies:- Councillor H. Scott

In Attendance:- Treasury Business Partner, Community Services Managing Solicitor, Estates
Surveyors (A. Scott and J. Stewart), Democratic Services Officer (F. Walling).

1. MINUTE.

1.1 There had been circulated copies of the Minute of 14 March 2019.

DECISION

APPROVED the Minute for signature by the Chairman.

1.2 With reference to paragraph 3 of the Minute, regarding the Ladhope Recreation Trails project, the Chairman had been aware of a possible misinterpretation of the Minute and wanted to clarify the position of Galashiels Common Good Fund Sub Committee, as trustees of part of the land in question; and the extent of its support at this stage. He made specific reference to the decision recorded in the Minute and reiterated the wording, that the Sub Committee 'agreed to support the project going forward for wider public consultation ...'. The Estates Surveyor, Annabelle Scott, had received confirmation from the Lead Planning Officer that any change to the existing pathways and their use would require planning permission. Mr Kenney advised that consultation had taken place the previous week and that Galashiels Community Council was expected to formally ratify support for the project at their next meeting.

1.3 With reference to paragraph 4 of the Minute regarding property matters, Ms Scott confirmed that the tree planting at Ladhope had been completed and that repairs to the march dykes at Ladhope golf course were being undertaken. Councillor Anderson drew attention to the state of the road to the cemetery at Ladhope, where the wooden fence had partially collapsed. The Estates Surveyor agreed to look into this and to liaise with the Neighbourhood Area Manager about the repairs required.

DECISION

(a) **NOTED the updates.**

(b) **AGREED that the Estates Surveyor investigate repairs required to the wooden fence alongside the road to the cemetery at Ladhope.**

2. FINANCIAL MONITORING REPORT FOR 12 MONTHS TO 31 MARCH 2019

There had been circulated copies of a report by the Chief Financial Officer providing details of income and expenditure for the year 2018/19 including balance sheet values as at 31 March 2019 and proposed budget for 2019/20. Treasury Business Partner, Sara Halliday, highlighted the main points of the report and appendices. She explained that, during 2017 the Council undertook work to reduce the number of individual trusts and bequests. Consultation and individual meetings were held during the year and a report was agreed at Council on 21 December. The report had resulted in the Ex Provost Mercer Trust being transferred into the Galashiels Common Good Fund from 1 April 2018. Appendix 1 to the report provided actual income and expenditure for 2018/19. This showed a surplus of £3,476 for the year which was slightly better than the projected surplus figure reported at the 14 March 2019 meeting. Included in the final out-turn position were dividends from the Common Good Funds investment in Kames Capital amounting to £8,400, which was in line with the overall 5% target and the monthly distribution profile projections provided by Kames. The Balance Sheet values to 31 March 2019 and a projected balance as at 31 March 2020 were shown in Appendix 2 to the report. It showed a decrease in the reserves of £29,064 in 2018/19. Appendix 3 provided a breakdown of the property portfolio showing projected depreciation charges and actual property expenditure to 31 March 2019. The current position of the Kames Capital Investment Fund was shown in Appendix 4 to the report. In response to a question about the figure of £1,100 included for grants and donations within the proposed budget for 2019/20, Ms Halliday explained that this was based on average grants paid from Galashiels Common Good Fund over previous years and that the amount paid out for grants and donations during the year was at the discretion of Members.

DECISION

- (a) **NOTED within the appendices to the report:-**
- (i) **the actual income and expenditure for 2018/19 in Appendix 1;**
 - (ii) **the final balance sheet value as at 31 March 2019 in Appendix 2**
 - (iii) **the summary of the property portfolio in Appendix 3; and**
 - (iv) **the current position of the Kames Capital Investment Fund in Appendix 4.**
- (b) **AGREED the proposed budget for 2019/20 as shown in Appendix 1 to the report.**

3. 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.

- 3.1 Following a discussion about whether there was a need for the current frequency of meetings of Galashiels Common Good Fund Sub Committee, in view of the limited amount of money available for grants and donations, the suggestion was made to move from the current four scheduled meetings a year to one annual meeting to approve the end of year financial accounts. This would be subject to the flexibility to call additional meetings during the year should there be any substantial change in the financial position, any application for funding or any other business that required attention. This was agreed, subject to the agreement of the Clerk to the Council.

DECISION

AGREED that, subject to agreement of the Clerk to the Council, Galashiels Common Good Fund Sub Committee move to one scheduled meeting per year on the understanding that additional meetings would be arranged if required.

The meeting concluded at 2.25 pm

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MONITORING REPORT FOR 12 MONTHS TO 31 MARCH 2020 AND PROPOSED BUDGET FOR FINANCIAL YEAR 2020/21

Report by Executive Director, Finance & Regulatory

GALASHIELS COMMON GOOD FUND SUB-COMMITTEE

10 September 2020

1 PURPOSE AND SUMMARY

- 1.1 This report provides the details of the income and expenditure for the Galashiels Common Good Fund for the year 2019/20 including balance sheet values as at 31 March 2020 and proposed budget for 2020/21.**
- 1.2 Appendix 1 provides the actual income and expenditure for 2019/20. This shows a surplus of £5,161 for the year, which is slightly better than the surplus figure reported at the 20 June 2019 meeting, as a result of a drop in Investment Income being offset by an underspend in Grants & Donations.
- 1.3 Appendix 2 provides an actual balance sheet as at 31 March 2020. It shows an increase in the reserves of £144,133, due to the revaluation of properties offset slightly by unrealised loss on the Aegon Asset Management Fund (formerly Kames Capital Fund).
- 1.4 Appendix 3 provides a breakdown of the property portfolio showing the effect of the revaluation.
- 1.5 Appendix 4 shows the value of the Aegon Asset Management Fund to 31 March 2020.

2 RECOMMENDATIONS

- 2.1 It is recommended that the Common Good Fund Sub-Committee:**
 - (a) Notes the actual income and expenditure for 2019/20 in Appendix 1;**
 - (b) Agrees the proposed budget for 2020/21 as shown in Appendix 1;**
 - (c) Notes the final balance sheet value as at 31 March 2020 in Appendix 2;**
 - (d) Notes the summary of the property portfolio in Appendix 3; and**
 - (e) Notes the current position of the investment in the Aegon Asset Management Fund in Appendix 4.**

3 BACKGROUND

3.1 This report provides the Committee with financial information for the period to 31 March 2020 and proposed budgets for 2020/21. The report also contains a projected balance sheet for the Common Good Fund as at 31 March 2021.

4 FINANCIAL POSITION 2019/20

4.1 Appendix 1 provides details on income and expenditure for the 2019/20 financial year, which resulted in a surplus of £5,161, as well as the proposed budget for 2020/21.

4.2 Income & Expenditure – Property Income

There is no rental income from the properties owned by the Common Good.

4.3 Income & Expenditure – Non-Property Related Income

- (a) The final outturn position shows an amount of £27 relating to interest receivable on cash held by SBC. Also included are dividends from the Common Good Funds investment in Aegon Asset Management Fund amounting to £7,758, which is less than the overall 5% target and the monthly distribution profile projections provided by Aegon. This is as a result of the market value dropping due to the impact of the Coronavirus emergency situation.
- (b) As the full economic impact of COVID-19 is not yet known the dividend budget has been reduced to reflect 2.5% compared to the target of 5%. The position will be monitored closely with Aegon Asset Management.
- (c) Included within other income for the year is a rebate from Aegon Asset Management (£136), which has been re-invested to purchase an additional 123 units. Rebate income received in March of £39 has been accounted for within income but the corresponding 41 units were not purchased until April 2020.

4.4 Income & Expenditure – Property Expenditure

- (a) The property expenditure to 31 March 2020 is detailed in Appendix 3 by property.
- (b) The proposed Budget for 2020/21 is shown in Appendix 1.

4.5 Income & Expenditure – Grants & Other Donations

There were no grants and other donations distributed or committed in the year to 31 March 2020; it is recommended a budget of £500 is set for 2020/21.

4.6 Income & Expenditure – Depreciation Charge

The depreciation charge for the year is £54,309, an increase of £20,173 due to the revaluation of the properties. 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 actual balance sheet value as at 31 March 2020, and a projected balance sheet as at 31 March 2021.

4.8 Balance Sheet – Fixed Assets

All fixed assets of the Common Good Fund are revalued every five years as part of the Council's rolling programme. The fixed assets were revalued at 1 April 2019 resulting in an increase of £218,563. Appendix 3 shows the difference in value from 31 March 2019 to 31 March 2020 for the individual properties.

4.9 Balance Sheet – Investment Fund

- (a) The fund has a 15.16% 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 -5.98% since investment in February 2018. As a result of the COVID-19 global markets across most asset classes have seen a drop, resulting in an overall negative return for 2019/20. Markets have however seen a bounce back during April, May and June which has resulted in some of the unrealised loss being negated.
- (b) Following a rebranding exercise, from 7 September, Kames Capital will change its name to that of its parent company, Aegon Asset Management. This change does not affect the way in which the Fund is managed or invested.

4.10 Balance Sheet – Cash Balance

The cash held by the fund is £9,863 at 31 March 2020 and is detailed below:

Cash Balance	£
Opening Balance at 1 April 2019	5,535
Surplus for year from Income & Expenditure Statement	5,161
Net cash movement in Debtors/Creditors	(697)
Rebate Investment in Aegon Asset Management	(136)
Projected Closing Balance as at 31 March 2020	9,863

4.11 Balance Sheet – Capital Reserve

The projections for the Capital Reserves include the unrealised loss for the Aegon Asset Management Fund as at 31 March 2020 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 implications other than those explained above in section 4.

5.2 Risk and Mitigations

There is a risk that investments in the Aegon Asset Management 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 Integrated Impact Assessment

There is no impact or relevance to Equality Duty or the Fairer Scotland Duty for this report. This is a routine good governance required to ensure robust management of the Common Good Funds. Nevertheless, a light touch assessment has been conducted and this will be published on SBC's Equality and Diversity Pages of the website as in doing so, signifies that equality, diversity and socio-economic factors have duly been considered when preparing 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 Chief Legal Officer (including as Monitoring Officer), the Chief Officer Audit and Risk, Service Director HR & Communications, the Clerk to the Council and Corporate Communications have been consulted and their appropriate comments have been incorporated into this report.

Approved by

David Robertson

Executive Director Finance & Regulatory Signature

Author(s)

Kirsty Robb	Pension and Investments Manager - Tel: 01835 825249
Sara Halliday	Treasury Business Partner - Tel: 01835 824000 Extn 5854

Background Papers:

Previous Minute Reference: Galashiels Common Good Committee 20 June 2019

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GALASHIELS COMMON GOOD FUND

ACTUAL INCOME AND EXPENDITURE 2019/20

	Actuals at 31/03/20	Full Year Approved Budget 2019/20	Over / (Under) Spend 2019/20	Proposed Budget 2020/21	Para Ref	Commentary
	£	£	£	£		
Property Income						
Rentals Receivable	0	0	0	0	4.2	
Non-Property Related Income						
Interest on Cash deposited with Council	(27)	(50)	23	(30)	4.3	Estimate 2.5% return
Investment Funds – Dividends Rec'd	(7,758)	(8,550)	792	(3,683)	4.3	
Other Income	(175)	(160)	(15)	(175)		
Total Income	(7,960)	(8,760)	800	(3,888)		
Property Expenditure						
Property Costs – General	750	750	0	0	4.4	Ladhope Golf Club
Total Property Expenditure	750	750	0	0		
Grants & Other Donations	0	1,100	(1,100)	500	4.5	
Central Support Service Charge	2,049	2,049	0	2,111		
Depreciation						
Depreciation Charge	54,309	34,136	20,173	54,309	4.6	Actual based on 01/04/19 revaluation
Contribution from Revaluation Reserve	(54,309)	(34,136)	(20,173)	(54,309)	4.6	
Net impact of Depreciation on Revenue Reserve	0	0	0	0		
Total Net (Surplus)/Deficit for year	(5,161)	(4,861)	(300)	(1,277)		

APPENDIX 2

GALASHIELS COMMON GOOD FUND

BALANCE SHEET VALUE AS AT 31 MARCH 2020

	Opening Balance at 01/04/19	Movement in Year	Closing Balance at 31/03/20	Projected Balances at 31/03/21
	£	£	£	£
Fixed Assets				
Land & Buildings	518,039	164,254	682,293	627,984
Heritable Assets	0	0	0	0
Total Fixed Assets	518,039	164,254	682,293	627,984
Capital in Investment Funds				
Investment Fund Book Value	159,355	136	159,491	159,627
Unrealised Gains/(Loss)	1,114	(25,282)	(24,168)	(24,168)
Market Value	160,469	(25,146)	135,323	135,459
Current Assets				
Debtors	679	(53)	626	626
Cash deposited with SBC	5,535	4,328	9,863	11,004
Total Current Assets	6,214	4,275	10,489	11,630
Current Liabilities				
Creditors	0	750	750	750
Total Current Liabilities	0	750	750	750
Net Assets	684,722	144,133	828,855	775,823
Funded by:				
Reserves				
Revenue Reserve	(15,840)	(5,161)	(21,001)	(22,278)
Capital Reserve	(304,169)	25,282	(278,887)	(278,887)
Revaluation Reserve	(364,713)	(164,254)	(528,967)	(474,658)
Total Reserves	(684,722)	(144,133)	(828,855)	(775,823)

APPENDIX 3

**GALASHIELS COMMON GOOD FUND
PROPERTY PORTFOLIO PERFORMANCE FOR 2019/20
(Actual Income and Expenditure at 31 March 2020)**

Fixed Assets – Land & Buildings	Net Book Value at 31/03/19	Revaluatn Adjust as at 01/04/19	Depn Charge 2019/20	Net Book Value at 31/03/20	Actual Rental Income 2019/20	Actual Property Expenditure at 31/03/20				
						Repairs	Rates, Water & Power	Ins	Other	Total
	£	£	£	£	£	£	£	£	£	£
Bank Street Gardens	0	0	0	0	0	0	0	0	0	0
Ladhope Drive Car Park	0	0	0	0	0	0	0	0	0	0
Ladhope Golf Course	110,000	(87,000)	0	23,000	0	750	0	0	0	750
Ladhope Woodland	6,250	9,750	0	16,000	0	0	0	0	0	0
Ladhope Glen Park	0	0	0	0	0	0	0	0	0	0
Ladhope Recreation Ground	0	0	0	0	0	0	0	0	0	0
Old Gala House	401,789	295,813	54,309	643,293	0	0	0	0	0	0
Mercat Cross	0	0	0	0	0	0	0	0	0	0
Sir Walter Scott Statue	0	0	0	0	0	0	0	0	0	0
Old Town Cemetery	0	0	0	0	0	0	0	0	0	0
Amenity Ground at Haliburton Pl	0	0	0	0	0	0	0	0	0	0
Leabrae Playground	0	0	0	0	0	0	0	0	0	0
Sml area of Netherdale Play Field	0	0	0	0	0	0	0	0	0	0
Property Expenditure (General)	-	-	-	-	0	0	0	0	0	0
Total	518,039	218,563	54,309	682,293	0	750	0	0	0	750

Fixed Assets – Moveable Assets
Minute Books
Provosts Chain & Badge
Provosts Robes & Hats (2 of each)
Baillies Robes & Hats
Stamp with Burgh Seal
Silver Trophy
Gold Watch
Gold Key & Medal
Scott Manuscript
Collection of Coins (12)
Bottle (storage for coins)
Braw Lads Medal (2)
Commemorative Medals (2)
Total

15

GALASHIELS COMMON GOOD FUND

INVESTMENTS EXTERNALLY MANAGED

Cost of Investment	Units	£
Aegon Asset Management Investment (February 2018)	136,558	147,851
Transfer of Investment – Ex Provost Mercer (April 18)	1,239	1,342
Aegon Asset Management Investment (September 2018)	9,244	10,000
Aegon Fund Rebate – (2018-2019)	150	162
Aegon Fund Rebate – (2019-2020)	123	136
Total Invested To 31 March 2020	147,314	159,491

Value of Investment	£
31 March 2018	147,374
30 June 2018	146,499
30 September 2018	157,015
31 December 2018	148,369
31 March 2019	160,469
30 June 2019	163,188
30 September 2019	163,320
31 December 2019	167,854
31 March 2020	135,323
Increase/(Decrease) from Total Cash Invested	(24,168)

Return on Investment from inception	Capital Return %	Total Return %
to 31 March 2018	-0.30	
to 31 March 2019	+3.86	+9.41
to 31 March 2020	-15.16	-5.98

MONITORING REPORT FOR 3 MONTHS TO 30 JUNE 2020

Report by Executive Director, Finance & Regulatory

GALASHIELS COMMON GOOD FUND SUB-COMMITTEE

10 September 2020

1 PURPOSE AND SUMMARY

- 1.1 This report provides the details of the income and expenditure for the Galashiels Common Good Fund for the three months to 30 June 2020, a full year projected out-turn for 2020/21, and projected balance sheet values as at 31 March 2021.**
- 1.2 Appendix 1 provides the projected income and expenditure position for 2020/21. This shows a projected surplus of £1,277 for the year.
- 1.3 Appendix 2 provides a projected balance sheet as at 31 March 2021. It shows a projected decrease in the reserves of £53,032.
- 1.4 Appendix 3 provides a breakdown of the property portfolio showing projected rental income for 2020/21 and actual property expenditure to 30 June 2020.
- 1.5 Appendix 4 shows the value of the Aegon Asset Management Investment Fund to 30 June 2020.

2 RECOMMENDATIONS

- 2.1 It is recommended that the Common Good Fund Sub-Committee:**
 - (a) Notes the projected income and expenditure for 2020/21 in Appendix 1;**
 - (b) Notes the projected balance sheet value as at 31 March 21 in Appendix 2;**
 - (c) Notes the summary of the property portfolio in Appendix 3; and**
 - (d) Notes the current position of the Aegon Asset Management Investment Fund in Appendix 4.**

3 BACKGROUND

3.1 This report provides the Committee with financial information for the period to 30 June 2020 and projections to 31 March 2021. The report also contains a projected balance sheet for the Common Good Fund as at 31 March 2021.

4 FINANCIAL POSITION 2020/21

4.1 Appendix 1 provides details on income and expenditure for the 2020/21 financial year. The projected net position for the year is a surplus of £1,277.

4.2 Income & Expenditure – Property Income

There is no rental income from the properties owned by the Common Good.

4.3 Income & Expenditure – Non-Property Related Income

(a) The projected outturn position shows an amount of £30 relating to interest receivable on cash held by SBC. Also included are dividends from the Common Good Funds investment in Aegon Asset Management amounting to £3,683 which is currently estimated at 2.5% return. As a result of the market value dropping due to the impact of the COVID-19, this projected 2.5% return is less than the 5% target and the monthly distribution profile projections provided by Aegon.

(b) Rebate income from Aegon Asset Management received in March 2020 of £39 was accounted for in 2019/20 however the corresponding 41 units have been purchased in April 2020.

4.4 Income & Expenditure – Property Expenditure

There are no Property Expenses on the Galashiels Common Good properties and no costs are anticipated in 2020/21.

4.5 Income & Expenditure – Grants & Other Donations

The grants and other donations approved and distributed to 31 March 2021 are shown below:

Grant Recipients	Approved	£
Approved and Paid to 30 June 2020		0
Total Paid to 31 March 2021		0
Budget 2020/21		500
Unallocated/(Overallocated) Budget		0

4.6 Income & Expenditure – Depreciation Charge

The projected depreciation charge for the year is £54,309. 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 March 2020, the projected movement in year and a projected balance sheet as at 31 March 2021.

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 2019. Appendix 3 shows the values of the individual properties at 31 March 2020, projected depreciation charges for 2020/21 and projected value at 31 March 2021.

4.9 **Balance Sheet – Investment Fund**

The fund has an 8.52% unrealised loss in market value since investment, largely due to continued volatility in investment markets. Overall, taking account of the income received the fund has achieved a return of 2.76% since investment in February 2018.

4.10 **Balance Sheet – Cash Balance**

The cash held by the fund is projected to be £11,004 at 31 March 2021 and is detailed below:

Cash Balance	£
Opening Balance at 1 April 2020	9,863
Projected Surplus/(Deficit) for year from Income & Expenditure Statement	1,277
Net cash movement in Debtors/Creditors	0
Investment in Aegon Asset Management	0
Rebate Investment in Aegon	(136)
Projected Closing Balance as at 31 March 2021	11,004

4.11 **Balance Sheet – Capital Reserve**

The projections for the Capital Reserves include the unrealised loss for the Aegon Asset Management Fund as at 31 March 20120 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 implications other than those explained above in section 4.

5.2 **Risk and Mitigations**

There is a risk that investments in the Aegon Asset Management 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 Integrated Impact Assessment

There is no impact or relevance to Equality Duty or the Fairer Scotland Duty for this report. This is a routine good governance required to ensure robust management of the Common Good Funds. Nevertheless, a light touch assessment has been conducted and this will be published on SBC's Equality and Diversity Pages of the website as in doing so, signifies that equality, diversity and socio-economic factors have duly been considered when preparing 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/Chief Legal Officer, the Chief Officer Audit and Risk, Service Director HR & Communications, the Clerk to the Council and Corporate Communications have been consulted and their appropriate comments have been incorporated into this report.

Approved by

David Robertson

Executive Director Finance & Regulatory Signature

Author(s)

Kirsty Robb	Pension and Investments Manager - Tel: 01835 825249
Sara Halliday	Treasury Business Partner - Tel: 01835 824000 Extn 5854

Background Papers:

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**GALASHIELS COMMON GOOD FUND
PROJECTED INCOME AND EXPENDITURE 2020/21**

	Actuals at 30/06/20	Full Year Approved Budget 2020/21	Full Year Projected Out-turn 2020/21	Full Year Projected Over/(Under) Spend 2020/21	Para Ref	Commentary
	£	£	£	£		
Property Income						
Rentals Receivable		0	0		4.2	
Non-Property Related Income						
Interest on Cash deposited with Council		(30)	(30)		4.3	
Kames Fund Investment – Dividends Rec'd	(681)	(3,683)	(3,683)		4.3	
Other Income	0	(175)	(175)		4.3	
Total Income	(681)	(3,888)	(3,888)			
Property Expenditure						
Property Costs – General	0	0	0		4.4	
Total Property Expenditure	0	0	0			
Grants & Other Donations	0	500	500		4.5	
Central Support Service Charge	0	2,111	2,111			
Depreciation						
Depreciation Charge	0	54,309	54,309		4.6	
Contribution from Revaluation Reserve	0	(54,309)	(54,309)		4.6	
Net impact of Depreciation on Revenue Reserve	0	0	0			
Total Net (Surplus)/Deficit for year	(681)	(1,277)	(1,277)			

	Opening Balance at 31/03/20 £	Projected Movement in Year £	Projected Closing Balance at 31/03/21 £
Fixed Assets			
Land & Buildings	682,293	(54,309)	627,984
Heritable Assets	0	0	0
Total Fixed Assets	682,293	(54,309)	627,984
Capital in Kames Investment Fund			
Investment in Kames Fund	159,491	136	159,627
Unrealised Gains/(Loss)	(24,168)	0	(24,168)
Market Value	135,323	136	135,459
Current Assets			
Debtors	626	0	626
Cash deposited with SBC	9,863	1,141	11,004
	10,489	1,141	11,630
Current Liabilities			
Creditors	750	0	750
	750	0	750
Net Assets	828,855	(53,032)	775,823
Funded by: Reserves			
Revenue Reserve	(21,001)	(1,277)	(22,278)
Capital Reserve	(278,887)	0	(278,887)
Revaluation Reserve	(528,967)	54,309	(474,658)
Total Reserves	(828,855)	53,032	(775,823)

**APPENDIX 3
GALASHIELS COMMON GOOD FUND**

**PROPERTY PORTFOLIO PERFORMANCE FOR 2020/21
(Projected Income and Expenditure to 30 June 2020)**

Fixed Assets – Land & Buildings	Net Book Value at 31/03/20 £	Projected Depn Charge 2020/21 £	Projected Net Book Value at 31/03/21 £	Projected Rental Income 2020/21 £	Actual Property Expenditure at 30/06/20				
					Repairs £	Rates, Water & Power £	Ins £	Other £	Total £
Bank Street Gardens	0	0	0	0	0	0	0	0	0
Ladhope Drive Car Park	0	0	0	0	0	0	0	0	0
Ladhope Golf Course	23,000	0	23,000	0	0	0	0	0	0
Ladhope Woodland	16,000	0	16,000	0	0	0	0	0	0
Ladhope Glen Park	0	0	0	0	0	0	0	0	0
Ladhope Recreation Ground	0	0	0	0	0	0	0	0	0
Old Gala House	643,293	54,309	588,984	0	0	0	0	0	0
Market Cross	0	0	0	0	0	0	0	0	0
Sir Walter Scott Statue	0	0	0	0	0	0	0	0	0
Old Town Cemetery	0	0	0	0	0	0	0	0	0
Amenity Ground at Haliburton Pl	0	0	0	0	0	0	0	0	0
Leabrae Playground	0	0	0	0	0	0	0	0	0
Sml area of Netherdale Play Field	0	0	0	0	0	0	0	0	0
Property Expenditure (General)	-	-	-	0	0	0	0	0	0
Total	682,293	54,309	627,984	0	0	0	0	0	0

Fixed Assets – Moveable Assets
Minute Books
Provosts Chain & Badge
Provosts Robes & Hats (2 of each)
Baillies Robes & Hats
Stamp with Burgh Seal
Silver Trophy
Gold Watch
Gold Key & Medal
Scott Manuscript
Collection of Coins (12)
Bottle (storage for coins)
Braw Lads Medal (2)
Commemorative Medals (2)
Total

GALASHIELS COMMON GOOD FUND

INVESTMENTS EXTERNALLY MANAGED

Cost of Investment	Units	£
Aegon Asset Management Investment (February 2018)	136,558	147,851
Transfer of Investment – Ex Provost Mercer (April 18)	1,239	1,342
Aegon Asset Management Investment (September 2018)	9,244	10,000
Aegon Fund Rebate – (2018-2019)	150	162
Aegon Fund Rebate – (2019-2020)	123	136
Aegon Fund Rebate – (2020-2021)	41	39
Total Invested To 31 March 2020	147,355	159,530

Value of Investment	£
31 March 2018	147,374
30 June 2018	146,499
30 September 2018	157,015
31 December 2018	148,369
31 March 2019	160,469
30 June 2019	163,188
30 September 2019	163,320
31 December 2019	167,854
31 March 2020	135,323
30 June 2020	145,941
Increase/(Decrease) from Total Cash Invested	13,589

Return on Investment from inception	Capital Return %	Total Return %
to 31 March 2018	-0.30	
to 31 March 2019	+3.86	+9.41
to 31 March 2020	-15.16	-5.98
to 30 June 2020	-8.52	+2.76