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PEEBLES COMMON GOOD FUND SUB-COMMITTEE WEDNESDAY, 18 NOVEMBER 2020

A MEETING of the PEEBLES COMMON GOOD FUND SUB-COMMITTEE will be held VIA MS TEAMS on WEDNESDAY, 18 NOVEMBER 2020 at 5.00 pm

J. J. WILKINSON,
Clerk to the Council,

11 November 2020

| BUSINESS | | |
|-----------------|---|---------|
| 1. | Apologies for Absence. | |
| 2. | Order of Business. | |
| 3. | Declarations of Interest | |
| 4. | Minute (Pages 3 - 4) Consider Minute of Meeting held on 7 October 2020 for approval. (Copy attached.) | 2 mins |
| 5. | Financial Monitoring to 30 September 2020 (Pages 5 - 16) Consider report by Executive Director, Finance & Regulatory. (Copy attached.) | 15 mins |
| 6. | Eastgate Theatre Loan (Pages 17 - 20) Continue consideration of request to extend period of loan to Eastgate Theatre. (Copy letter from Chairman attached.) | 15 mins |
| 7. | Property Update Consider property update by Estates Surveyor. | 10 mins |
| 8. | Any Other Items Previously Circulated. | |
| 9. | Any Other Items Which The Chairman Decides Are Urgent. | |
| 10. | Items Likely to be taken Private 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 items of business on the grounds that they involve the likely disclosure of exempt information as defined in the relevant paragraphs of Part 1 of Schedule 7A to the aforementioned Act.” | |
| 11. | Minute (Pages 21 - 22) Consider Private Section of Minute of Meeting held on 7 October 2020. (Copy attached.) | 1 mins |
| 12. | Jedderfield Farm Update. | 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 R. Tatler (Chairman), H. Anderson, S. Bell, K. Chapman, S. Haslam, E. Small and Community Councillor L. Hayworth

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

MINUTE of Meeting of the PEEBLES
COMMON GOOD FUND SUB-COMMITTEE
held remotely via Microsoft Teams on
Wednesday, 7 October, 2020 at 11.00 a.m.

Present:- Councillors R. Tatler (Chairman), H. Anderson, S. Bell, K. Chapman,
S. Haslam, and Community Councillor L. Hayworth
Apology:- Councillor E. Small
In Attendance:- Treasury Business Partner (S. Halliday), Solicitor (G. Sellar), Estates
Surveyor (T. Hill), Democratic Services Team Leader

1. **MINUTES**

The Minute of the Meeting of Peebles Common Good Fund Sub-Committee held on 1 July 2020 had been circulated.

DECISION

AGREED to approve the Minute for signature by the Chairman.

2. **FINANCIAL MONITORING TO 30 JUNE 2020**

There had been circulated copies of a report by the Executive Director, Finance & Regulatory providing details of the income and expenditure for the Peebles 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. Appendix 1 provided the projected income and expenditure position for 2020/21 and showed a projected surplus of £18,042 for the year. Appendix 2 provided a projected balance sheet value as at 31 March 2021 and showed a projected decrease in the reserves of £64,918. Appendix 3 provided a breakdown of the property portfolio showing projected rental income for 2020/21 and actual property expenditure to 30 June 2020. Appendix 4 showed the value of the Aegon Asset Management (formerly Kames Capital) Investment Fund to 30 June 2020. The Treasury Business Partner highlighted the main points in the report and answered Members questions and agreed to check the position with regard to the costs of cleaning Haylodge Toilets which had not opened over the summer. Councillor Bell queried why a number of properties showed no rental income and the Estates Surveyor undertook to check the position.

DECISION

NOTED the:-

- (a) **projected income and expenditure for 2020/21 in Appendix 1 to the report;**
- (b) **projected balance sheet value as at 31 March 2021 in Appendix 2 to the report;**
- (c) **summary of the property portfolio in Appendix 3 to the report; and**
- (d) **current position of the Aegon Asset Management Investment Fund in Appendix 4 to the report.**

3. **PROPERTY – FORMER CORN EXCHANGE**

The Estates Surveyor advised that the Shop located in the former Corn Exchange was now vacant since Changeworks had left. There had been 3 expressions of interest in the lease and she proposed that the lease should be advertised so that formal bids could be submitted.

DECISION

AGREED that the Estates Survey take the necessary steps to lease the shop at the Former Corn Exchange.

4. **PRIVATE BUSINESS**

DECISION

AGREED under Section 50A(4) of the Local Government (Scotland) Act 1973 to exclude the public from the meeting during consideration of the business detailed in the Appendix to this Minute on the grounds that it involved the likely disclosure of exempt information as defined in Paragraph 6 of Part I of Schedule 7A to the Act.

SUMMARY OF PRIVATE BUSINESS

5. **Jedderfield Farm**

The Sub-Committee received a presentation from Tweedgreen and then considered a report by the Service Director Assets and Infrastructure and agreed a series of actions.

6. **Minute**

Approved the private section of the Minute of the meeting held on 1 July 2020.

7. **Property Matter**

Members approved a request from the Scottish Wildlife Trust to access Common Good land.

8. **Date of Next Meeting**

Noted that the next meeting of the Sub-Committee would be held on 18 November 2020.

The meeting concluded at 12 noon

MONITORING REPORT FOR 6 MONTHS TO 30 SEPTEMBER 2020

Report by Executive Director, Finance & Regulatory

PEEBLES COMMON GOOD FUND SUB-COMMITTEE

18 November 2020

1 PURPOSE AND SUMMARY

- 1.1 This report provides the details of the income and expenditure for the Peebles Common Good Fund for the six months to 30 September 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 £20,602 for the year, which is more than previously reported due to the removal of the budget for servicing of the Haylodge toilets partly offset by a reduction in rental income.
- 1.3 Appendix 2 provides a projected balance sheet value as at 31 March 2021. It shows a projected decrease in the reserves of £28,752.
- 1.4 Appendix 3 provides a breakdown of the property portfolio showing projected rental income for 2020/21 and actual property expenditure to 30 September 2020.
- 1.5 Appendix 4 shows the value of the Aegon Asset Management Investment Fund to 30 September 2020.

2 RECOMMENDATIONS

- 2.1 It is recommended that the Common Good Fund Sub-Committee:**
 - (a) Agrees the projected income and expenditure for 2020/21 in Appendix 1 as the revised budget for 2020/21.**
 - (b) Notes the projected balance sheet value as at 31 March 2021 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 September 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 detail on income and expenditure for the 2020/21 financial year. The projected net position for the year is a surplus of £20,602.

4.2 Income & Expenditure – Property Income

Rental income for 2020/21 is shown in Appendices 1 & 3, with Appendix 3 detailing the projected annual rental income by individual property. The Property Income budget has been reduced due to the termination of the lease for the Old Corn Exchange Shop-Front on 22/09/2020, notes of interest have been received and will be presented to the Common Good Committee before any decision is made.

4.3 Income & Expenditure – Non-Property Related Income

- (a) The projected outturn position shows an amount of £300 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 £10,716 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) Included within other income is a rebate from Aegon Asset Management of £105 which, along with the £113 received in March 2020, has been re-invested to purchase an additional 225 units.

4.4 Income & Expenditure – Property Expenditure

- (a) The property expenditure to 30 September 2020 is detailed in Appendix 3 by property.
- (b) The proposed Budget for 2020/21 is shown in Appendix 1. This has been reduced by £6,800 due to the Councillors decision not to open the toilets during the summer months.
- (c) A report on Jedderfield Farm has previously been presented to the Sub-Committee giving an update on the options available for the property, with any decision currently deferred until a later date.

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 September 2020 | | |
| Peebles & District Citizens Advice Bureau- (repaid) | 20/11/19 | (2,000) |
| Tweed Wheels | 01/07/20 | 5,000 |
| Total Paid to 31 March 2021 | | 3,000 |
| Approved but not yet paid | | |
| Remembrance Day | Annual | 212 |
| Hire of Burgh Hall | 07/09/04 | 100 |
| Total Grants Approved | | 312 |
| Approved Budget 2020/21 | | 22,000 |
| (Unallocated)/Overallocated Budget | | (18,688) |

4.6 Income & Expenditure – Depreciation Charge

The projected depreciation charge for the year is £82,960. 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 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

(a) The fund has a 7.91% 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 4.83% since investment in February 2018.

4.10 Balance Sheet – Cash Balance

The cash held by the fund is projected to be £73,932 at 31 March 2021 and is detailed below:

| Cash Balance | £ |
|--|---------------|
| Opening Balance at 1 April 2020 | 13,722 |
| Projected surplus/(deficit) for year from Income & Expenditure Statement | 20,602 |
| Net cash movement in Debtors/Creditors | 0 |
| Loan to East Gate Theatre – Projected to be Repaid by 18/12/20 | 20,000 |
| Loan to Tweeddale Youth Action Group -Repaid | 20,000 |
| Investment in Aegon Asset Management | 0 |
| Rebate Investment in Aegon | (392) |
| Projected Closing Balance as at 31 March 2021 | 73,932 |

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, with an estimate for the current years' movement based on the market position at 30 September 2020.

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 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 financial monitoring report which forms part of the governance of the 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 Executive Director (Finance & Regulatory), the Monitoring Officer/Chief Legal Officer, the Chief Officer Audit and Risk, the Service Director HR & Communications, the Clerk to the Council and Corporate Communications have been consulted and any comments received have been incorporated into the final report.

Approved by

David Robertson
Executive Director Finance & Regulatory

Signature

Author(s)

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

Background Papers:

Previous Minute Reference: Peebles Common Good Committee 7 October 2020

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

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

| | Actuals at 30/09/20 | Full Year Approved Budget 2020/21 | Full Year Projected Out-turn 2020/21 | Full Year Projected Over/(Under) Spend 2020/21 | Par a Ref | Commentary |
|--|--------------------------------|--|---|---|--------------------------|------------------------------|
| | £ | £ | £ | £ | | |
| Property Income | | | | | | |
| Rentals Receivable | (40,025) | (53,540) | (49,300) | 4,240 | 4.2 | Old corn exchange shop-front |
| Non-Property Related Income | | | | | | |
| Interest on Cash deposited with Council | 0 | (300) | (300) | | 4.3 | |
| Interest on East Gate Theatre Loan | (251) | (380) | (380) | | 4.3 | |
| Investment Funds – Dividends Rec'd | (8,596) | (10,716) | (10,716) | | 4.3 | |
| Other Income | (105) | (500) | (500) | | 4.3 | |
| Total Income | (48,977) | (65,436) | (61,196) | 4,240 | | |
| Property Expenditure | | | | | | |
| Property Costs – General | (253) | 10,000 | 10,000 | | 4.4 | |
| Haylodge Toilets – Cleaning etc | 0 | 6,800 | 0 | (6,800) | | Toilets closed during 2020 |
| Total Property Expenditure | (253) | 16,800 | 10,000 | (6,800) | | |
| Grants & Other Donations | 3,000 | 22,000 | 22,000 | | 4.5 | |
| Central Support Service Charge | 8,594 | 8,594 | 8,594 | | | |
| Depreciation | | | | | | |
| Depreciation Charge | 0 | 82,960 | 82,960 | | 4.6 | |
| Contribution from Revaluation Reserve | 0 | (82,960) | (82,960) | | 4.6 | |
| Net impact of Depreciation on Revenue Reserve | 0 | 0 | 0 | | | |
| Total Net (Surplus)/Deficit for year | (37,636) | (18,042) | (20,602) | (2,560) | | |

PEEBLES COMMON GOOD FUND

PROJECTED BALANCE SHEET VALUE AT 31 MARCH 2021

| | Opening Balance at 01/04/20 | Projected Movement in Year | Projected Closing Balances at 31/03/21 |
|--|-----------------------------------|----------------------------------|---|
| | £ | £ | £ |
| Fixed Assets | | | |
| Land & Buildings | 850,140 | (82,960) | 767,180 |
| Feu Duties | 1,619 | 0 | 1,619 |
| Total Fixed Assets | 851,759 | (82,960) | 768,799 |
| Capital in Investment Funds | | | |
| Investment Fund Book Value | 464,232 | 392 | 464,624 |
| Unrealised Gains/(Loss) | (70,551) | 33,606 | (36,945) |
| Market Value | 393,681 | 33,998 | 427,679 |
| Current Assets | | | |
| Loan to Eastgate Theatre (projected to be repaid) | 20,000 | (20,000) | 0 |
| Loan to Tweeddale Youth Debtors | 20,000 | (20,000) | 0 |
| | 5,093 | 0 | 5,093 |
| Cash deposited with SBC | 13,722 | 60,210 | 73,932 |
| Total Current Assets | 58,815 | 20,210 | 79,025 |
| Current Liabilities | | | |
| Creditors | 0 | 0 | 0 |
| Receipts in Advance | (25) | 0 | (25) |
| Total Current Liabilities | (25) | 0 | (25) |
| Net Assets | 1,304,230 | (28,752) | 1,275,478 |
| Funded by: | | | |
| Reserves | | | |
| Revenue Reserve | (101,022) | (20,602) | (121,624) |
| Capital Reserve | (401,244) | (33,606) | (434,850) |
| Revaluation Reserve | (801,964) | 82,960 | (719,004) |
| Total Reserves | (1,304,230) | 28,752 | (1,275,478) |

PEEBLES COMMON GOOD FUND

PROPERTY PORTFOLIO PERFORMANCE FOR 2020/21
(Projected Income and Expenditure to 30 September 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 30/09/20 | | | | |
|---------------------------------|---------------------------------|------------------------------------|---|--------------------------------------|---|---------------------------|----------|------------|------------|
| | | | | | Repairs £ | Rates, Water & Power £ | Ins £ | Other £ | Total £ |
| Greenside Car Park | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Kings Meadows Car Park | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| George Meikle Kemp Monument | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Victoria Park | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Victoria Park Tennis Courts | 28,600 | 11,400 | 17,200 | 0 | 0 | 0 | (139) | 0 | (139) |
| Peebles Disused Railway | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Peebles Golf Course | 158,000 | 0 | 158,000 | 15,290 | 0 | 0 | 0 | 0 | 0 |
| Jedderfield Farm | 150,900 | 4,100 | 146,800 | 0 | 0 | 0 | 0 | 0 | 0 |
| Jedderfield Farm Grazing | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Neidpath Grazings | 20,000 | 0 | 20,000 | 0 | 0 | 0 | 0 | 0 | 0 |
| Haylodge Park | 0 | 0 | 0 | 250 | 0 | 0 | 0 | 0 | 0 |
| Haylodge Depot | 69,760 | 12,240 | 57,520 | 9,500 | 0 | 0 | 0 | 0 | 0 |
| Old Corn Exchange Hall | 36,100 | 7,900 | 28,200 | 450 | 0 | 0 | (34) | 0 | (34) |
| Walkershaugh Store | 42,640 | 9,360 | 33,280 | 6,500 | 0 | 0 | 0 | 0 | 0 |
| Tweed Green | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Cuddy Green (Part 1) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Venlaw Wood | 16,000 | 0 | 16,000 | 0 | 0 | 0 | 0 | 0 | 0 |
| Tweed Fishings | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Peebles Town Clock | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Old Corn Exchange Shop –(Front) | 91,600 | 22,150 | 69,450 | 7,660 | 0 | 0 | 0 | 0 | 0 |
| Garage 1 Tweed Green | 4,100 | 900 | 3,200 | 300 | 0 | 0 | 0 | 0 | 0 |
| Venlaw Quarry | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Venlaw Amenity Ground | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Old Town Wall Monument | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Haylodge Park Play Art | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

| Fixed Assets – Land & Buildings | Net Book Value at 31/03/20 £ | Projected Depn Charge 2020/21 £ | Projected Net Book Value at 31/03/21 £ | Projecte dRental Income 2020/2 1 £ | Actual Property Expenditure at 30/09/20 | | | | |
|---|---------------------------------|------------------------------------|---|---------------------------------------|---|---------------------------|--------------|------------|--------------|
| | | | | | Repairs £ | Rates, Water & Power £ | Ins £ | Other £ | Total £ |
| | | | | | | | | | |
| Walkershaugh ACF Site | 10,000 | 0 | 10,000 | 500 | 0 | 0 | 0 | 0 | 0 |
| Walkershaugh Bowling Green | 500 | 0 | 500 | 0 | 0 | 0 | 0 | 0 | 0 |
| Former Railway | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Ninians Haugh Park | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Ninians Haugh Play Area | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Old Town Green | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Garage 2 Tweed Green | 2,460 | 540 | 1,920 | 175 | 0 | 0 | (5) | 0 | (5) |
| Garage 3 Tweed Green | 2,460 | 540 | 1,920 | 175 | 0 | 0 | (8) | 0 | (8) |
| Land at March Street | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Gas Governor Site | 750 | 0 | 750 | 0 | 0 | 0 | 0 | 0 | 0 |
| Forneringham Bridge | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Land at Haylodge Cottage Site | 20,000 | 0 | 20,000 | 0 | 0 | 0 | 0 | 0 | 0 |
| Garages Sites at Kirkland Street No 1-8 | 6,750 | 0 | 6,750 | 800 | 0 | 0 | 0 | 0 | 0 |
| Land at Kingsmeadows Toilets | 2,600 | 0 | 2,600 | 0 | 0 | 0 | 0 | 0 | 0 |
| Haylodge Toilets | 20,270 | 4,730 | 15,540 | 0 | 0 | 0 | 0 | 0 | 0 |
| Land at Gytes Leisure Centre | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Old Corn Exchange Shop (Rear) | 40,900 | 9,100 | 31,800 | 3,000 | 0 | 0 | (68) | 0 | (68) |
| Kingsland School Site | 70,000 | 0 | 70,000 | 4,700 | 0 | 0 | 0 | 0 | 0 |
| Haylodge Pavilion Site | 5,000 | 0 | 5,000 | 0 | 0 | 0 | 0 | 0 | 0 |
| Elliots Park Grazings | 50,000 | 0 | 50,000 | 0 | 0 | 0 | 0 | 0 | 0 |
| Kingsland Primary School Sub Stn | 750 | 0 | 750 | 0 | 0 | 0 | 0 | 0 | 0 |
| Connor Ridge Monitoring Site | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Tweed Green Car Park Site | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Victoria Park Construction Store | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Walkershaugh Railway Embank | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Biggiesknowe Garage | 0 | 0 | 0 | 0 | 0 | 0 | (47) | 0 | (47) |
| Property Expenditure (General) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 850,140 | 82,960 | 767,180 | 49,300 | 0 | 0 | (301) | 0 | (301) |

Fixed Assets – Moveable Assets

Leather Chairs (14)
Chairs (5)
China Cabinet
Antique Mirror
Square Coal Scuttle
Oak Mantle Clock (1930)
Antique Fire Irons & Grate
Log Effect Electric Fire
Oval Oak Table
Light Pendants (5)
Single Pendant
4 Single Brass Gas Wall Fittings

PEEBLES COMMON GOOD FUND

INVESTMENTS EXTERNALLY MANAGED

| Cost of Investment | Units | £ |
|---|----------------|----------------|
| Aegon Asset Management Investment (February 2018) | 387,354 | 419,388 |
| Aegon Asset Management Investment (August 2018) | 22,187 | 24,000 |
| Aegon Fund Rebate – (2018-2019) | 422 | 452 |
| Aegon Asset Management Investment – (May 19) | 18,254 | 20,000 |
| Aegon Fund Rebate – (2019-2020) | 350 | 392 |
| Aegon Fund Rebate – (2020-2021) | 225 | 218 |
| Total Invested to 30 September 2020 | 428,792 | 464,450 |

| Value of Investment | £ |
|---|-----------------|
| 31 March 2018 | 418,032 |
| 30 June 2018 | 415,553 |
| 30 September 2018 | 441,035 |
| 31 December 2018 | 416,749 |
| 31 March 2019 | 446,938 |
| 30 June 2019 | 474,748 |
| 30 September 2019 | 475,130 |
| 31 December 2019 | 491,230 |
| 31 March 2020 | 393,681 |
| 30 June 2020 | 424,571 |
| 30 September 2020 | 427,505 |
| Increase/(Decrease) from Total Cash Invested | (36,945) |

| 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 |
| 30 September 2020 | -7.91 | +4.83 |

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Eastgate Theatre Chairman's overview 2019-20

2019 and 2020 have both been momentous years for the Eastgate, but for very different reasons. The project to replace the auditorium seating, upgrade the heating and ventilation systems, and create a new entrance to the foyer was successfully completed during 2019 and the improvements have been widely welcomed. Following reopening, attendance levels rose by 9% compared to the same period the previous year.

However the impact of Covid-19 since March on the Eastgate's business and the wider leisure industry has been substantial and there is no certainty about what impact the pandemic may have on the company in the future. All activities and earned income were halted in mid-March and, although we were able to reopen the café in mid July, and more recently restarted some participation activities, no live performances or cinema screenings have yet been possible.

Programme and activities

Over the first three months of the financial year 2019-20 the theatre continued to present a diverse range of live performances, cinema screenings, and participation activities. Just one example in May was an excellent performance of new work by the Eastgate's youth dance group, Stride, working in collaboration with musicians from Nomad Beat. Additionally, very well received events were staged at venues in Skirling, Broughton, Walkerburn and Innerleithen as part of the Eastgate on the Road programme.

During the redevelopment work in July and August 2019 several activities were relocated to venues and spaces around the town such as a lunch-time open air performance in the Chambers Institution Quadrangle as part of the Feis Rois Ceilidh Trail, and dance classes in Peebles Scout Hall.

Participation is a key element of the company's work, and outreach work with frail and elderly residents in Peebles has been developed thanks to a generous donation of £4,000 from the Peeblesshire Charitable Trust. Dance for Parkinson's – part of a Scotland-wide programme sponsored by Scottish Ballet and Dance Base – has attracted a lot of interest and a regular group of 20 people attend sessions.

Following completion of the auditorium refurbishment, performances restarted in September. Comparing the September to February period for 2018-19 and 2019-20, the average live performance audience size has increased from 108 to 118; average film attendance risen from 68 to 75 per screening.

The theatre is a founder member of the newly formed Tweed Valley Tourism Consortium Business Improvement District – involving around 90 tourism related businesses – which aims to develop the local tourism offer and make the Tweed Valley a recognised brand.

Development project

Following more than two years of fundraising and development work by the Eastgate, the contractors began in June 2019 to carry out the auditorium and foyer refurbishment. The Eastgate staff relocated to the town's former visitor centre in the High Street and continued to deal with box office bookings, visits from regular customers, and enquiries from tourists and day trippers. The development work was largely completed by September but operational problems with the new entrance doors and the heating and ventilation system were only resolved in November.

Funding for the £410,000 project came from several grants including £80,000 from WREN and £127,000 from LEADER. A remarkable £91,000 was raised from the local community in a very short period.

During the year, funding from Scottish Borders Council's Localities Fund allowed a Dolby Fidelio system to be installed in the auditorium, providing assistance to sight impaired and hard of hearing audiences.

More recently a grant of £25,000 from Screen Scotland's Cinema Equipment Fund, together with a generous donation of £5,000 from the Benson family, and a further £4,500 from the Friends of the Eastgate, has allowed the cinema projection and sound equipment to be renewed.

Governance, management and volunteers

Throughout the disruption of the redevelopment project and now the Covid-19 turmoil the directors, staff and volunteers have striven to ensure the survival, creativity and prosperity of the company. Special thanks are due to Caroline Adam, our General Manager, who led the refurbishment project and sought emergency funding during the present crisis, while also providing a programme of performances and activities that make the Eastgate Theatre so well-loved by residents and visitors alike.

Immediately following the enforced closure of the theatre in March, the Board began weekly virtual meetings to co-ordinate efforts to keep the company solvent and in a position to reopen when circumstances allowed. Since the reopening of the café and the start of some participation activities in August, the board meetings have reverted to a monthly schedule.

The company has been able to make use of the government furlough scheme during the closure period and as a result has managed to retain all members of the staff. However, in common with many cultural organisations, the Eastgate Theatre could not operate without the tremendous support of the local community and the many volunteers.

Finance

Core funding for the theatre continues to be provided by Live Borders under a service agreement which runs until April 2022.

Two loans have been taken out to assist with cash flow pending receipt of the final grant payments from LEADER. A £20,000 loan was provided by the Peebles Common Good Fund (repayable in December 2020) and an £80,000 long term loan was agreed with the Royal Bank of Scotland.

All earned income stopped following the government instruction to close the venue in mid-March. Since July the café has reopened safely and successfully and its cinema screenings are restarting on 7 November.

The company was not eligible for several Covid-19 emergency grants announced early in the lockdown and was only granted one-third of the requested amount from funds where the company was eligible. Fortunately in late September £70,000 was secured from the Scottish Government Performing Arts Venue Relief Fund to assist during the period up until 31 March 2021.

- Income
 - Full year earned income forecast to decline by 71% (budget £422,050 / forecast £123,125)
 - Income from live performances and cinema screenings forecast to decline 83%
 - Income from café has been more resilient, forecast to be down 53%
- Expenditure
 - Direct costs declined by 68%
 - Overheads reduced by 39% (mostly building related costs but also marketing, budget £120,700 / forecast £73,300)
- Covid-19 grant aid
 - Special grants total £85,100
 - Staff furlough payments (circa £75,000 to date) have enabled all staff to be retained although many are on reduced hours. We expect to retain most staff through until at least 31 March 2021.
- Cashflow has remained positive
- LEADER funding final grant payment is still outstanding, value around £60,000.

Friends of the Eastgate

The Friends of the Eastgate have provided invaluable support to the company throughout the year and their fundraising has helped to finance new outdoor furniture, café equipment, stage technical and cinema equipment. The vital role that the Friends play has been highlighted during the Covid-19 pandemic, firstly by raising much needed funds to complement emergency grant aid, and secondly by organising and producing a weekly series of on-line 'Eastgate at Home' videos featuring local talent, from dancers to actors and musicians.

Going Concern

Three-quarters of the theatre's turnover is earned income – mainly ticket and café sales – so the government's instruction to close in March due to the Covid-19 pandemic had an immediate impact on the company's finances. The grants, fundraising and furlough payments we have been able to secure, together with the limited reopening of the café in July, have made it possible for the company to continue through the summer.

Looking ahead, Live Borders have confirmed that their annual core grant will be maintained in 2021-22, although at a slightly lower level than in the current year. Nevertheless, there can be no certainty as to the future impact of Covid-19 on the company and its activities. If the UK and Scottish governments were to strengthen restrictions on social gathering or instruct the venue to close there could be significant doubt about the company's ability to continue as a going concern.

The Board has looked at a scenario of admissions reducing to 50% of pre-Covid-19 trade, as well as the severe but plausible downside scenario of complete closure for three months. In each scenario we have assumed that Live Borders core funding is maintained in line with their Service Agreement with the Eastgate Theatre.

In the first scenario we have assumed that the café continues to operate at 75% of previous levels, and some cinema, event cinema, and live performances are possible albeit with reduced seating capacity as a result of social distancing regulations. Faced with a 50% decline in attendances we would adapt our business model by, for example, reducing the number of days the venue is open but the resulting reductions in staff and overhead costs would be limited and so a small operating deficit would be likely. The programme and range of activities would be curtailed, which in turn may make it more difficult to obtain core and project funding in the future.

The more severe scenario of forced closure for three months, and assuming no new government financial assistance, would result in the company making all staff redundant and mothballing the organisation in the hope that at some future date the venue could be reactivated. Our assessment is that a shorter forced closure period, perhaps up to six weeks, could be managed and several key staff retained, but the impacts would still be severe and financial recovery would be slow.

Faced with these uncertainties the company is undertaking a range of mitigating actions including:

- Building a new audience database to allow efficient, low cost marketing in preparation for activities restarting
- Maintaining communication with the local community and artist communities to ensure that they understand what is happening and what to expect from the theatre
- Make use of the auditorium to expand the cinema and event cinema programme during periods when live performances are not possible
- Minimising fixed costs and deferring discretionary expenditure
- Working with Live Borders, Creative Scotland, and Screen Scotland to ensure that the Eastgate delivers a service which merits continued core and project grant support.

Additionally, several measures are being taken to improve the liquidity of the company:

- Retaining half of the RBS long term (20 year) loan of £80,000

- Using all relevant government support schemes (furlough staff costs, reduced VAT rate, etc)
- General public fundraising, assisted by the Friends of the Eastgate
- Developing projects and activities which can be supported by specific grants.

The Board are committed to ensuring that the Eastgate Theatre can continue as a viable cultural and community organisation and remains a vital part of the social and economic fabric of Peebles and Tweeddale.

Thanks to funders

Directors wish to acknowledge with due thanks and great appreciation the support given to the Eastgate Theatre, by the following grant-funding bodies:

Live Borders
Peebles Common Good Fund
Peeblesshire Charitable Trust
Borders Caring Service
Creative Scotland
Screen Scotland
Big Lottery
Scottish Borders LEADER
WREN

Ron Inglis

Chair, Board of Directors, Eastgate Theatre

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