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CHAMBERS INSTITUTION TRUST WEDNESDAY, 8 JUNE, 2022

A MEETING of the CHAMBERS INSTITUTION TRUST will be held VIA MICROSOFT TEAMS on
WEDNESDAY, 8 JUNE 2022 at 6.00 pm

All attendees, including members of the public, should note that the public business in this meeting will be livestreamed and video recorded and that recording will be available thereafter for public view for 180 days.

J. J. WILKINSON,
Clerk to the Council,

6 June 2022

BUSINESS		
1.	Appointment of Chairman	
2.	Apologies for Absence	
3.	Order of Business	
4.	Declarations of Interest	
5.	Minute (Pages 3 - 4) Minute of Meeting held on 16 March 2022 to be approved and signed by the Chairman. (Copy attached.)	2 mins
6.	Place Making Funding Update by Estates Surveyor.	10 mins
7.	Consultation Process Update.	10 mins
8.	Use of Former Tourist Information Centre Update by Estates Surveyor.	10 mins
9.	Centenary of Peebles War Memorial Consider marking of Centenary – 5 October 2022.	10 mins
10.	Financial Monitoring report for 12 Months to 31 March 2022 and Proposed Budget for Financial Year 2022/23 (Pages 5 - 18) Consider report by Director Finance and Corporate Governance. (Copy attached.)	

11.	Any Other Items Which The Chairman Decides Are Urgent	
12.	<p>Private Business</p> <p>Before proceeding with the private business, the following motion should be approved:-</p> <p>“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.”</p>	
13.	<p>Private Minute - Chambers Institution Trust 16 March 2022 (Pages 19 - 20)</p> <p>Consider private section of Minute of Meeting held on 16 March 2022. (Copy attached.)</p>	2 mins
14.	<p>Levelling-Up Funding</p> <p>Update by Projects Manager.</p>	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 D. Begg, M. Douglas, J. Pirone, E. Small, R. Tatler and V. Thomson.

Please direct any enquiries to Louise McGeoch Tel: 01835 825005
Email: lmcgeoch@scotborders.gov.uk

**SCOTTISH BORDERS COUNCIL
CHAMBERS INSTITUTION TRUST**

MINUTE of Meeting of the CHAMBERS
INSTITUTION TRUST held in Via Microsoft
Teams on Wednesday, 16 March 2022 at
4.00 pm

Present:- Councillors R. Tatler (Chairman) H. Anderson, S. Bell, S. Haslam, E. Small,
R. Tatler
Apologies:- Councillor K. Chapman
In Attendance:- Pensions and Investments Manager, Projects Manager (S. Renwick), Solicitor
(G. Sellar), Estates Surveyor (T. Hill), Localities Development Co-ordinator (K.
Harrow), Democratic Services Team Leader, J. Hogg (Live Borders)

1. **MINUTE**

There had been circulated copies of the Minute of the meeting held on 16 February 2022. With reference to paragraph 5 it was noted that the Stakeholder Group would be appointed after the Council elections in May.

DECISION

AGREED to approve the Minute.

2. **PLACE MAKING FUNDING**

With reference to paragraph 8 of the Minute of 16 February 2022, the Estates Surveyor reported that the Executive Committee had approved funding of £100k for the works to the Burgh Hall. The quote for the works amounted to £118k leaving an £18k gap. It was noted that Listed Building Permission would be required before the works could commence. Councillor Bell, seconded by Councillor Anderson, moved that the works be progressed on the basis of acceptance of the lowest quote and that the balance of £18k be met by the Trust. This was unanimously approved. Ms Hill confirmed that she would liaise with Live Borders to schedule the works.

DECISION

AGREED that the Chambers institution Trust meet the balance of £18k to allow the works to be carried out as soon as was practical.

3. **CONSULTATION PROCESS**

With reference to paragraph 4 of the Minute of 16 February 2022, the Localities Development Co-ordinator advised that a draft communication would be prepared. The setting up of the stakeholder group in May would allow them to feed their comments to the meeting of the Trust in June. He would contact the Co-Chairs to agree a date for the Group to meet in May. It was noted that the Community Council had made a suggestion that the stakeholder group should be called the beneficiaries. The Trust agreed that the Group should agree their title and remit at their first meeting.

DECISION

AGREED to receive the feedback from the new stakeholder group at the next Trust meeting in June.

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 9 of Part I of Schedule 7A to the Act.

SUMMARY OF PRIVATE BUSINESS

5. **MINUTE**

The private section of the Minute of the meeting held on 16 February 2022 was approved.

6. **LEVELLING-UP FUNDING**

Members received an update on the progress of the proposed project being funded from the Levelling-up funding.

The meeting concluded at 4.50 p.m.



MONITORING REPORT FOR 12 MONTHS TO 31 MARCH 2022 AND PROPOSED BUDGET FOR FINANCIAL YEAR 2022/23

Report by Director – Finance & Corporate Governance

CHAMBERS INSTITUTION TRUST SUB-COMMITTEE

8 June 2022

1 PURPOSE AND SUMMARY

- 1.1 This report provides the details of the income and expenditure for the Chambers Institution Trust for the year 2021/22 including balance sheet values as at 31 March 2022, a full year projected out-turn for 2022/23, and projected balance sheet values as at 31 March 2023**
- 1.2 Appendix 1 provides the actual income and expenditure position for 2021/22. This shows a surplus of £23,799 for the year, which is better than the previously reported surplus on 16 February 2022 as a result of an underspend in the Property Costs budget.
- 1.3 Appendix 2 provides an actual balance sheet value as at 31 March 2022. It shows a decrease in reserves of £44,749, mainly due to the annual release from Revaluation Reserve, as well as the correction to some asset values from the last re-valuation on 1 April 2019.
- 1.4 Appendix 3a provides a breakdown of the property portfolio showing actual rental income and net return for 2021/22.
- 1.5 Appendix 3b provides a breakdown of the property portfolio showing actual property expenditure for 2021/22
- 1.6 Appendix 4 provides a breakdown of the property portfolio showing actual property valuations at 31 March 2022.
- 1.7 Appendix 5 shows the value of the Aegon Asset Management Investment Fund to 31 March 2022.

2 RECOMMENDATIONS

- 2.1 It is recommended that the Trust Sub-Committee:**
 - (a) Notes the actual income and expenditure for 2021/22 in Appendix 1;**
 - (b) Agrees the proposed budget for 2022/23 in Appendix 1;**

- (c) Notes the final balance sheet value as at 31 March 2022, and projected balance sheet value as at 31 March 2023 in Appendix 2;**
- (d) Notes the summary of the property portfolio in Appendices 3 and 4; and**
- (e) Notes the current position of the investment in the Aegon Asset Management Investment Fund in Appendix 5.**

3 BACKGROUND

3.1 This report provides the Committee with financial information for the period to 31 March 2022 and proposed budgets for 2022/23. The report also contains a projected balance sheet for the Trust as at 31 March 2023.

4 FINANCIAL POSITION 2021/22

4.1 Appendix 1 provides details on income and expenditure for the 2021/22 financial year, which resulted in a surplus of £23,799. Also included is the proposed budget for 2022/23.

4.2 Income & Expenditure – Property Income

(a) Rental income for 2021/22 is shown in Appendices 1 & 3a, with Appendix 3a detailing the actual annual rental income by individual property. Actual income is reported on a cash basis until the year end with quarter 4 reports incorporating any annual adjustments for prepayments and accruals.

4.3 Income & Expenditure – Non-Property Related Income

(a) The final outturn position shows an amount of £43 relating to interest receivable on cash held by SBC, a drop from projections due to the prolonged lower level of interest rates. Also included are dividends from the Common Good Funds investment in Aegon Asset Management amounting to £17,187 which is slightly ahead of the revised projection of 4.5% return, with the projection for 2022/23 returning to the 5% target and the monthly distribution profile projections provided by Aegon. The position will be monitored closely with Aegon Asset Management.

(b) Included within other income for the year is a rebate from Aegon Asset Management of £259 which, along with the £84 received in March 2021, has been re-invested to purchase an additional 314 units. Rebate income received in March 2021 of £85 has been accounted for within income but the corresponding 78 units were not purchased until April 2022.

4.4 Income & Expenditure – Property Expenditure

(a) The property expenditure for 2021/22 is shown in Appendices 1 & 3b, with Appendix 3b detailing the actual property expenditure by individual property. Actual expenditure is reported on a cash basis until the year end with quarter 4 reports incorporating any annual adjustments for prepayments and accruals.

(b) The projected expenditure for 2022/23 is shown in Appendix 1.

(c) Appendices 3a and 3b show a full breakdown of the projections for property rental and repairs for 2022/23. These will be revised as further information is received.

(d) The expenditure on the kitchen upgrade approved by Committee on 17 November 2021 has still to be completed and the budget for this spend has been carried forward into 2022/23.

4.5 Income & Expenditure – Grants & Other Donation

The grant distributed and committed to 31 March 2022 is shown below:

Grant Recipients	Approved	£
Approved and Paid to 31 March 2022		0
Total Paid to 31 March 2022		0
Budget 2021/22		0
<i>(Unallocated)/Overallocated Budget</i>		0

4.6 Legal Costs

Expert legal advice was sought to clarify the position regarding future Trustee requirements. The costs of this advice totalled £7,500 and were met by the Trust.

4.7 Income & Expenditure – Depreciation Charge

The depreciation charge for the year is £84,249. 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.

4.8 Appendix 2 provides the actual balance sheet value as at 31 March 2022, and with projected balance to 31 March 2023.

4.9 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 4 shows the actual values of the individual properties at 31 March 2022, actual depreciation charges for 2021/22 and projected values at 31 March 2023.

As a result of a discrepancy in the update of the 2019 re-valuations there have been a small number of adjustments made to the fixed asset register in 2021/22 which are broken down in Appendix 4.

4.10 Balance Sheet – Investment Fund

The fund has a 0.68% unrealised gain 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 22.56% since investment in February 2018.

4.11 Balance Sheet – Cash Balance

The cash held by the fund is £98,136 at 31 March 2022 and is detailed below:

Cash Balance	£
Opening Balance at 1 April 2021	66,832
Surplus for year from Income & Expenditure Statement	23,799
Net cash movement in Debtors/Creditors	7,848
Rebate Investment in Aegon	(343)
Closing Balance at 31 March 2022	98,136

4.12 Balance Sheet – Capital Reserve

The movement in the Capital Reserves include the unrealised gain for the Aegon Asset Management Fund as at 31 March 2022, but due to the nature of the markets no estimate has been made for the future 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 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 Sustainable Development Goals

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 Climate Change

There are no effects on climate change 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 Data Protection Impact Statement

There are no personal data implications 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, Director (People Performance & Change), the Clerk to the Council and Communications have been consulted and their appropriate comments have been incorporated into this report.

Approved by

David Robertson

Signature

Director, Finance & Corporate Governance

Author(s)

Kirsty Robb	Capital and Investments Manager – Tel: 01835 825249
Sara Wilson	Treasury Business Partner – Tel: 01835 824000 Extn 5854

Background Papers:

Previous Minute Reference: Chambers Institution Trust Committee 16 February 2022

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 Corporate Finance, Council Headquarters, Newtown St Boswells, Melrose, TD6 0SA.

Tel: 01835 824000

Fax: 01835 825166

Email: t&cteam@scotborders.gov.uk

CHAMBERS INSTITUTION TRUST FUND

APPENDIX 1

ACTUAL INCOME AND EXPENDITURE 2021/22

	Actuals at 31/03/22	Full Year Approved Budget 2021/22	Over/ (Under) Spend 2021/22	Full Year Proposed Budget 2022/23	Para Ref	Commentary
	£	£	£	£		
Property Income						
Rental Income	(17,454)	(17,454)	0	(17,454)	4.2	
Non-Property Related Income						
Interest on Cash deposited with Council	(43)	(128)	85	(128)	4.3	Est. 5% return
Investment Funds – Dividends Rec'd	(17,187)	(14,125)	(3,062)	(15,700)	4.3	
Other Income	(344)	(315)	(29)	(340)	4.3	
Total Income	(35,028)	(32,022)	(3,006)	(33,622)		
Property Expenditure						
Property Costs	3,729	18,600	(14,871)	14,825	4.4	
Total Property Expenditure	3,729	18,600	(14,871)	14,825		
Grants & Other Donations	0	0	0	0	4.5	
Legal Costs	7,500	0	7,500	0	4.6	
Running Costs						
Central Support Service Charge	0	0	0	0		
Net Running Costs	0	0	0	0		
Depreciation						
Depreciation Charge	84,249	84,249	0	84,249	4.7	
Contribution from Revaluation Reserve	(84,249)	(84,249)	0	(84,249)		
Net impact of Depreciation on Revenue Reserve	0	0	0	0		
Total Net (Surplus)/Deficit for year	(23,799)	(13,422)	(10,377)	(18,797)		

BALANCE SHEET VALUE AS AT 31 MARCH 2022

	Opening Balance at 01/04/21 £	Movement in Year £	Closing Balance at 31/03/22 £	Projected Closing Balance at 31/03/23 £
Fixed Assets				
Land & Buildings	1,315,602	(44,749)	1,270,853	1,186,604
Total Fixed Assets	1,315,602	(44,749)	1,270,853	1,186,604
Capital in Investment Funds				
Investment Fund Book Value	338,353	343	338,696	339,039
Unrealised Gains/(Loss)	4,106	(347)	3,759	3,759
Market Value	342,459	(4)	342,455	342,798
Current Assets				
Debtors	8,474	(6,880)	1,594	1,594
Cash deposited with SBC	66,832	31,304	98,136	116,590
Total Current Assets	75,306	24,425	99,730	118,184
Current Liabilities				
Creditors	0		0	0
Receipts in Advance	(122)	(968)	(1,090)	(1,090)
Total Current Liabilities	(122)	(968)	(1,090)	(1,090)
Net Assets	1,733,245	(21,296)	1,711,948	1,646,496
Funded by: Reserves				
Revenue Reserve	(303,537)	(23,799)	(327,336)	(346,133)
Capital Reserve	(114,106)	347	(113,759)	(113,759)
Revaluation Reserve	(1,315,602)	44,749	(1,270,853)	(1,186,604)
Total Reserves	(1,733,245)	21,298	(1,711,948)	(1,646,496)

PROPERTY PORTFOLIO PERFORMANCE FOR 2021/22
(Actual income to 31 March 2022 and projected 2022/23)

Rental Income – Land & Buildings	2021/22			2022/23	
	Approv'd Budget	Actuals	Actual Net (Return) /Loss	Propos'd Budget	Propos'd Net Return
	£	£	£	£	£
Chambers Institution	0	0	3,750	0	14,850
Peebles Library	0	0	0	0	0
Contact Centre	0	0	0	0	0
Burgh Chambers (Registrars)	0	0	0	0	0
Museum & Art Gallery	0	0	0	0	0
Peebles Burgh Hall	0	0	0	0	0
25 High Street	(10,500)	(10,500)	(10,521)	(10,500)	(10,525)
John Buchan Museum Trust	(4,950)	(4,950)	(4,950)	(4,950)	(4,950)
Offices Chambers Institution	(2,004)	(2,004)	(2,004)	(2,004)	(2,004)
Visit Scotland	0	0	0	0	0
Burgh Hall Allotments	0	0	0	0	0
Total	(17,454)	(17,454)	(13,725)	(17,454)	(2,629)

PROPERTY PORTFOLIO PERFORMANCE FOR 2021/22
(Actual expenditure to 31 March 2022 and projected 2022/23)

Property Expenditure – Land & Buildings	2021/22				2022/23
	Approv'd Budget	Actual (Repair & Maint)	Actual (Other)	Actual Total	Propos'd Budget
	£	£	£	£	£
Chambers Institution	18,600	0	3,750	3,750	14,850
Peebles Library	0	0	0	0	0
Contact Centre	0	0	0	0	0
Burgh Chambers (Registrars)	0	0	0	0	0
Museum & Art Gallery	0	0	0	0	0
Peebles Burgh Hall	0	0	0	0	0
25 High Street	0	0	(21)	(21)	(25)
John Buchan Museum Trust	0	0	0	0	0
Offices Chambers Institution	0	0	0	0	0
Visit Scotland	0	0	0	0	0
Burgh Hall Allotments	0	0	0	0	0
Total	18,600	0	3,729	3,729	14,825

PROPERTY PORTFOLIO VALUATION FOR 2021/22

(Actual property valuation to 31 March 2022 and projected to 31 March 2023)

Fixed Assets – Land & Buildings	Net Book Value at 01/04/21	Adjustment (see Para 4.9 above)	Depn Charge 2021/22	Net Book Value at 31/03/22	Project'd Depn Charge 2022/23	Project'd Net Book Value at 31/03/23
	£	£	£	£	£	£
Chambers Institution	60,238	23,334	(3,464)	80,108	(3,464)	76,644
Peebles Library	180,857	0	(14,071)	166,786	(14,071)	152,715
Contact Centre	65,006	15,766	(3,364)	77,408	(3,364)	74,044
Burgh Chambers (Registrar)	138,433	0	(5,784)	132,649	(5,784)	126,865
Museum & Art Gallery	344,615	0	(27,693)	316,922	(27,693)	289,229
Peebles Burgh Hall	271,506	0	(19,247)	252,259	(19,247)	233,012
25 High Street	83,605	0	(3,548)	80,057	(3,548)	76,509
John Buchan Museum Trust	45,799	0	(1,850)	43,949	(1,850)	42,099
Offices Chambers Institution	32,471	0	(1,264)	31,207	(1,264)	29,943
Visit Scotland	93,072	0	(3,964)	89,108	(3,964)	85,144
Burgh Hall Allotments	0	400	0	400	0	400
Total	1,315,602	39,500	(84,249)	1,270,853	(84,249)	1,186,604

INVESTMENTS EXTERNALLY MANAGED

Cost of Investment	Units	£
Aegon Asset Management Investment (February 2018)	99,576	107,811
Aegon Fund Rebate – (2018-19)	102	110
Aegon Investment (August 2019)	137,602	150,000
Aegon Fund Rebate – (2019-20)	151	169
Aegon Investment (November 2020)	76,146	80,000
Aegon Fund Rebate – (2020-21)	259	263
Aegon Fund Rebate – (2021-22)	314	343
Total Invested to 31 March 2022	314,150	338,696

Value of Investment	£
31 March 2018	107,464
31 March 2019	108,669
31 March 2020	218,104
31 March 2021	342,459
30 June 2021	344,238
30 September 2021	341,184
31 December 2021	353,394
31 March 2022	342,455
Unrealised Gain/(Loss) on Investment	3,759

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
to 30 September 2020	-7.91	+4.83
to 31 December 2020	-0.61	+14.09
to 31 March 2021	+0.78	+16.84
to 30 June 2021	+1.10	+18.71
to 30 September 2021	+0.36	+19.52
to 31 December 2021	+3.93	+25.02
to 31 March 2022	+0.68	+22.56

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