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GALASHIELS COMMON GOOD FUND SUB COMMITTEE THURSDAY, 8 SEPTEMBER 2022

A MEETING of the GALASHIELS COMMON GOOD FUND SUB COMMITTEE will be held VIA MICROSOFT TEAMS on THURSDAY, 8 SEPTEMBER 2022 at 10.00 am.

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,

2 September 2022

| BUSINESS | | |
|-----------------|---|---------|
| 1. | Apologies for Absence. | |
| 2. | Order of Business. | |
| 3. | Declarations of Interest. | |
| 4. | Minute. (Pages 3 - 4) Consider Minute of Meeting held on 30 June 2022. (Copy attached.) | 2 mins |
| 5. | Consultation on Heritable and Moveable Asset Registers for Former Burgh of Galashiels (Pages 5 - 24) Consider report by Principal Solicitor. (Copy attached.) | 30 mins |
| 6. | Monitoring Report for 3 Months to 30 June 2022 (Pages 25 - 36) Consider report by Acting Chief Executive. (Copy attached.) | 15 mins |
| 7. | Property Update Consider update from Estates Surveyor. | 10 mins |
| 8. | Any Other Items Previously Circulated. | |
| 9. | Any Other Items which the Chairman Decides are Urgent. | |
| 10. | Private Business | |

| | | |
|-----|---|---------|
| | <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> | |
| 11. | <p>Minute (Pages 37 - 38)</p> <p>Consider Private section of the Minute of the Meeting held on 30 June 2022. (Copy attached.)</p> | 2 mins |
| 12. | <p>Property Update</p> <p>Consider update from Estates Surveyor.</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 H. Steel (Chairman), E. Jardine, N. Mackinnon, F. Sinclair, and Community Councillor R. Kenney

Please direct any enquiries to Declan Hall Tel: 01835 826556
Email:- Declan.Hall@scotborders.gov.uk

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

MINUTES of Meeting of the GALASHIELS
COMMON GOOD FUND SUB COMMITTEE
held via MS Teams on Thursday, 30 June
2022 at 10.00 am

Present:- Councillors E. Jardine, N. Mackinnon, F. Sinclair and H. Steel
Apologies:- Community Councillor R. Kenney
In Attendance:- Community Services Managing Solicitor, Estates Surveyor (J. Stewart),
Treasury Business Partner (S. Wilson) and Democratic Services Officer (D. Hall)

1. **CHAIRMAN**

Councillor Jardine, seconded by Councillor Mackinnon, proposed that Councillor Steel be appointed as Chairman of the Galashiels Common Good Fund Sub-Committee. There being no other nominations, Councillor Steel was appointed as Chairman and took the Chair.

DECISION

AGREED that Councillor Steel be appointed as the Chairman of the Galashiels Common Good Fund Sub-Committee.

2. **MINUTE.**

The had been circulated copies of the Minute of the Galashiels Common Good Fund Sub-Committee held on 30 March 2022

DECISION

AGREED to approve the Minute for signature by the Chairman.

3. **MONITORING REPORT FOR 12 MONTHS TO 31 MARCH 2022**

There had been circulated copies of a report by Director, Finance and Corporate Governance which provided details of the income and expenditure for the Galashiels Common Good Fund 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. Appendix 1 to the report provided the actual income and expenditure for 2021/22. This showed a projected surplus of £4,671 for the year, which was better than the previously reported surplus on 30 March 2022, mainly as a result of an increase in the return from the Aegon investment Fund. Appendix 2 to the report provided an actual balance sheet as at 31 March 2022 and showed a projected decrease in reserves of £49,801, due to the annual release from the Revaluation Reserve. Appendix 3a to the report provided a breakdown of the property portfolio and an actual rental income and net return for 2021/22. Appendix 3b to the report provided a breakdown of the property portfolio and actual property expenditure for 2021/22. Appendix 4 to the report provided a breakdown of the property portfolio detailing actual property valuations at 31 March 2022. Appendix 5 of the report showed the value of the Aegon Investment Management Investment Fund to 31 March 2022. In response to a question regarding the level of grants provided by the Common Good over the previous 5 years, the Treasury Business Partner clarified that the budget had been set at £500, undertook to provide a full outline of Grants provided for information to the Elected Members, and explained that no grants had been provided in the preceding 3 years.

DECISION

AGREED to:-

- (a) note the actual income and expenditure for 2021/21 in Appendix 1 to the report;
- (b) note the projected income and expenditure for 2022/23 in Appendix 1 to the report;
- (c) note the final balance sheet value as at 31 March 2022, and projected balance sheet value as at 31 March 2023 in Appendix 2 to the report;
- (d) note the summary of the property portfolio in Appendices 3 and 4 to the report; and
- (e) note the current position of the Aegon Asset Management Investment Fund in Appendix 5 to the report.

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. **PROPERTY**

The Sub-Committee received an update on property matters relating to Common Good owned land and approved various works.

The meeting concluded at 10.30 am

Consultation on Heritable and Moveable Asset Registers for former Burgh of Galashiels

Report by Principal Solicitor

Galashiels Common Good Fund Sub Committee

8 September 2022

1 PURPOSE AND SUMMARY

- 1.1 This report is to advise on the outcome of the recent consultation under the Community Empowerment (Scotland) Act 2015, and to seek approval of the final Common Good Register for Galashiels.**
- 1.2 Under the Community Empowerment (Scotland) Act 2015 the Council is required to establish and maintain a register of property which is held by the authority as part of the Common Good ("a Common Good Register"). Before establishing a Common Good Register, the Act requires the Council to publish a list of property that it proposes to include in the Register and consult the public on this list.
- 1.3 The Galashiels Common Good Sub-Committee approved the draft asset register in December 2021 and agreed to the commencement of the public consultation. The consultation ran from December 2021 to 31 March 2022.
- 1.4 The Sub Committee now requires to consider the responses received to the consultation, and approve the final register to be recommended to Council for publication.

2 RECOMMENDATIONS

- 2.1 **I recommend that the Sub-Committee:-**
 - (a) Notes the consultation responses and officers' comments thereon, as set out at Appendix 1 to this report;**
 - (b) Approves the contents of the final list of heritable and moveable property assets held by the Council within the former Burgh of Galashiels, as set out in Appendix 2;**
 - (c) Agrees to recommend to Council the said final asset list for publication as a completed Common Good Register for Galashiels.**

3 BACKGROUND

- 3.1 Under the Community Empowerment (Scotland) Act 2015 the Council is required to establish and maintain a register of property which is held by the authority as part of the Common Good ("a Common Good Register"). Before establishing a Common Good Register, the Act requires the Council to publish a list of property that it proposes to include in the Register and to consult the public on this list.
- 3.2 A draft list was agreed by the Sub-Committee in December 2021 and a public consultation on that list took place from 21 December 2021 to 31 March 2022. The consultation was available on-line via Citizens Space, with paper copies of the lists being made available on request. The Council advertised the consultation on its website and through each of its Local Area Partnerships. In addition, details of the consultation were issued to every Community Council in the Scottish Borders.

4. CONSULTATION

- 4.1 The consultation published the draft list of assets, together with a location plan for each of the land or building assets. The consultation asked for comments on (i) whether a proposed asset should be included as part of the Common Good; or (ii) whether there should be other assets included in the Common Good asset list.
- 4.2 There were 65 responses to the consultation and 12 of these responses related to Galashiels. These responses included comments from Galashiels Community Council and Gala Mens' Shed and are set out in Appendix 1.
- 4.3 In considering the responses received, officers from the Council's Legal team have liaised with Estates and Finance colleagues in order to determine the provenance of the assets concerned. The legal tests have then been applied to the information gathered in order to form a view as to the assets' common good status. The legal tests can be summarised as follows:
- All property or land owned by the Burgh in 1975 *may* belong to the Common Good;
 - If the title deeds of the asset contain a 'common good declaration' which clearly indicates that the property should be held for the people of the Burgh, it is likely that the asset belongs to the Common Good;
 - If there is evidence, from the title deeds or the Burgh records that the asset was acquired for a statutory purpose, or using statutory powers, the asset is unlikely to be part of the Common Good.
 - If the asset is part of a separate Trust, it will not form part of the Common Good.
 - Moveable items (such as art and artefacts) again may be Common Good if owned by the Burgh in 1975.
 - Items used principally for the administration of the Burgh (such as minute books) will not be part of the Common Good, whereas ceremonial items such as robes and chains are likely to form part of the Common Good.

- 4.4 Officers' responses to the consultation comments are set out in Appendix 1. If the Sub-Committee agrees that all consultation responses have been appropriately considered, the next step in the process is for the Sub-Committee to approve the asset list set out at Appendix 2, as being the final Common Good Register for Galashiels. Any changes from the draft register approved in December have been highlighted.
- 4.5 Following approval by the Sub-Committee of the final Register, Council approval will be sought for publication of the final Registers for all of the Common Good assets in the Scottish Borders. The aim is to have the full Scottish Borders Common Good Asset Register published by the end of September 2022.
- 4.6 It is possible that following this process, further assets may be identified as being Common Good, and where that is the case, the Council will update the Common Good Asset Registers. The Registers will similarly be updated if existing property is disposed of or reclassified. The Council will also ensure that the Common Good Asset Registers are reviewed on a regular basis, and at least every five years.

5 IMPLICATIONS

5.1 Financial

There are no direct costs attached to implementing any of the recommendations contained in this report. However, the Council has a duty to ensure the accuracy of the Council's accounts. It is therefore important that any assets which should properly be classified as being Common Good are contained within the Common Good Registers, and therefore the Common Good Accounts.

5.2 Risk and Mitigations

The Council's primary aim is to ensure compliance with Part 8 of the Act in respect of Common Good assets. If the Council fails to comply with the duties contained in Part 8 of the Act it will be in breach of the legislation and the Council may be subject to adverse public comments and legal challenge. The risk is mitigated by considering this report and the Council carrying out the actions detailed herein.

5.3 Integrated Impact Assessment

Steps were taken to ensure that the public consultation was accessible to all. These steps included the publication of the consultation in paper copy to be available at multiple locations, as well as the availability of paper copies.

5.4 Sustainable Development Goals

There are no economic, social or environmental effects in accepting or rejecting the recommendation

5.5 Climate Change There are no effects on carbon emissions in accepting or rejecting the recommendation.

5.6 Rural Proofing

This is not a new policy matter.

5.7 Data Protection Impact Statement

There are no data protection implications resulting from the proposed publication of the Registers of Common Good.

5.8 Changes to Scheme of Administration or Scheme of Delegation

There are no changes required to the Council Schemes of Administration or Delegation.

6 CONSULTATION

6.1 The Director Finance & Corporate Governance, the Monitoring Officer/Chief Legal Officer, the Chief Officer Audit and Risk, the Director People, Performance & Change, the Clerk to the Council and Corporate Communications have been consulted and comments received have been incorporated into the final report.

Approved by

Director of

Signature

Author(s)

| Name | Designation and Contact Number |
|----------------|------------------------------------|
| Hannah MacLeod | Principal Solicitor, 01835 825 216 |

Background Papers: Nil

Previous Minute Reference: Nil

Note – You can get this document on tape, in Braille, large print and various computer formats by contacting the address below. Hannah MacLeod can also give information on other language translations as well as providing additional copies.

Contact us at Hannah MacLeod, Legal and Licensing Services, Council Headquarters, Newtown St Boswells , 01835 825216 or email hannah.macleod@scotborders.gov.uk

Consultation on Heritable and Moveable Asset Registers for former Burgh of Galashiels

Appendix 1: Responses to Consultation and Officers' Considerations

| Consultation Comment | SBC Response | Recommended action |
|--|--|---|
| <p>Leebrae Playground – the play equipment has recently been removed for unknown reasons. This site should remain a park, which was the original intention.</p> <p>Further, there should be recognition of the Pictish significance, further to the discovery of catrails at the site.</p> | <p>SBC's parks team has confirmed that the old play equipment was de-commissioned but that the site is still intended as an informal play area.</p> <p>This would be a matter for future consideration by the CG Sub-Committee.</p> | <p>No action in respect of CG register.</p> <p>CG committee to note comments for consideration in due course.</p> |
| <p>Scott Park should be on the CG register</p> | <p>Scott Park was acquired by the Burgh of Galashiels for a statutory purpose (in terms of the Public Parks (Scotland) Act 1878), which was narrated in the terms of the title deeds. Accordingly, it does not form part of the Common Good.</p> | <p>No action</p> |
| <p>Should public park next to fire station be on CG register?</p> | <p>This park is not owned by the Council (who only manage and maintain it on behalf of the community) and is therefore not a Common Good asset.</p> | <p>No action</p> |
| <p>Why is Tweedbank Park not on CG register?</p> | <p>Tweedbank does not form part of any former Burgh and therefore does not have any Common Good assets.</p> | <p>No action</p> |
| <p>All Council allotments should be on CG register to protect their status</p> | <p>Each asset needs to be considered separately, with reference to the circumstances of its acquisition, to determine whether it is a common good asset.</p> | <p>No action</p> |

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|---|--|--|
| | Allotments are afforded separate treatment under the Community Empowerment (Scotland) Act 2015 | |
| Woodstock Avenue playpark should be on CG register | This park is part of land acquired at Langlee for housing, and therefore acquired under statutory powers and does not form part of the Common Good. | No action |
| Netherdale back pitches should be on CG register | The land at Netherdale was gifted to the Council under the terms of a Trust. This land continues to be held in terms of that Trust, known as the Hayward Trust. Land held in a separate trust cannot be Common Good land, but is treated by the Council in a similar way. | No action |
| Gala Academy and surrounding park were gifted to the town. Therefore, if land has been supplemented or replaced in lieu of land occupied by Gala Academy, it would be of interest to establish ownership. | The land on which Galashiels Academy was built was never owned by the Burgh of Galashiels and therefore has never formed part of the Common Good. It was acquired by Selkirk County Council. | No action |
| Gala Policies and the site of the demolished New Gala House should be on CG register as a community woodland | The Policies were acquired in five phases, all for the purposes of housing development. This statutory purpose (under the Housing (Scotland) Acts) means the land is not Common Good land. | No action |
| The land at Halliburton Place needs updated, either with benches and planting or as an allotment – it should be useable for the public | This is not a matter for the register but should be considered separately by the Common Good Sub-Committee | No action in respect of Register. Points raised for CG consideration in due course. |
| With reference to the Provost's chain of office and robes, Galashiels should consider having a Provost again and | This is not a matter for the register but should be considered separately by the Common Good Sub-Committee or SBC | No action in respect of Register. Points raised for CG consideration in due course. |

| | | |
|--|--|--|
| allowing these items to be used for public and ceremonial occasions, such as the opening of the new Tapestry Building. | | |
|--|--|--|

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Consultation on Heritable and Moveable Asset Registers for former Burgh of Galashiels

Appendix 2: Proposed Final Register of Common Good Assets in Galashiels

BURGH OF GALASHIELS

| LAND | | | |
|------------------------|---|---|------------------|
| Name of Asset | Location | Description | Plan |
| Ladhope Drive car park | Ladhope Drive, Galashiels, TD1 1BT | Public car park, acquired by the Burgh of Galashiels in 1945. Subsequently acquired for a statutory purpose by Ettrick and Lauderdale District Council in 1989. | See attached pdf |
| Old Gala House | Old Gala House, Scott Crescent, Galashiels, TD1 3JS | Museum property operated by Live Borders. The property was original acquired by the Burgh in 1975 in terms of an agreement with Galashiels Art Club (to the effect that premises would be made available to the art club in Old Gala House or other) for no consideration. The minutes state that the property was gifted by Gala Art Club 'for the benefit of the public of Galashiels'. | See attached pdf |
| Ladhope Golf Course | Ladhope, Galashiels, TD1 2NJ | Golf Course acquired by the Burgh of Galashiels in 1945. The title states that the land is to be held "in trust for the Community of | See attached pdf |

| | | | |
|---------------------------|---------------------------------|---|------------------|
| | | Galashiels and as part of the common good for the said Burgh". | |
| Ladhope Woodland | Ladhope, Galashiels, TD1 2NJ | Woodland area, acquired by the Burgh of Galashiels in 1945. The title states that the land is to be held "in trust for the Community of Galashiels and as part of the common good for the said Burgh". | See attached pdf |
| Ladhope Glen Park | Ladhope, Galashiels, TD1 2NJ | Park land, acquired by the Burgh of Galashiels in 1945. The title states that the land is to be held "in trust for the Community of Galashiels and as part of the common good for the said Burgh". | See attached pdf |
| Ladhope recreation ground | Ladhope, Galashiels, TD1 2NJ | Recreational ground, acquired by the Burgh of Galashiels in 1945. The title states that the land is to be held "in trust for the Community of Galashiels and as part of the common good for the said Burgh". | See attached pdf |
| Bank Street Gardens | Bank Street Gardens, Galashiels | Public Gardens and park land, acquired by the Burgh of Galashiels between 1939 and 1965. Land was all gifted by proprietors of neighbouring buildings - purpose was for a Council scheme of improvement. Early donors (State Bank and Liberal Club) stipulated that condition of gift was that ground had to be permanently used as open space. | See attached pdf |

| | | | |
|---|--|--|------------------|
| Sir Walter Scott Statue | Bank Street, Galashiels, TD1 3JX | Memorial statue. The land on which the statue is erected was acquired by the Burgh of Galashiels in 1932 for the purpose of the erecting the statue in memory of Sir Walter Scott. | See attached pdf |
| Mercat Cross | Church Street, Galashiels, TD1 3JH | Market cross located at Church Street. The land on which it is erected was acquired under the Burgh charter and therefore is Common Good. | See attached pdf |
| Leabrae Playground | Corner of Leabrae and Woodside Place, Galashiels | The land on which the playground is erected was gifted to the Burgh of Galashiels for the purpose of becoming a rest area and playground. No statutory purpose stated was stated in the titles and the Council minutes of 12.12.1932 refer to the land being a gift. | See attached pdf |
| Amenity land at Halliburton Place/Terrace | Halliburton Place or Terrace, Galashiels | The land was acquired 'as an open space for behoof of the Public of Galashiels' in 1921 and 1959. | See attached pdf |
| | | | |
| ART AND ARTEFACTS | | | |
| Name of asset | Location | Description | |
| Provosts Chain & Badge | Paton Street, Galashiels | 18ct gold chain and badge of office by Hamilton & Inches. Presented to the Burgh on 10 October 1889. | |

| | | | |
|--------------------------------------|--------------------------------|--|--|
| Provosts Robes & Hats (2 of each) | Paton Street, Galashiels | One believed to be used by John hall, first Provost of Galashiels from 1868 – 1973 and 1875 – 1888 | |
| Baillies Robes & Hats | Paton Street, Galashiels | | |
| Gold Key & Medal | Municipal Buildings in Selkirk | Used at ceremonial opening of Galashiels Burgh Chamber in 1927. Medal inscribed “To Ex Provost Watson to Commemorate the opening of the completed War Memorial and burgh Buildings, Galashiels, 1 st Jan 1927”. | |
| Gold Watch | Paton Street, Galashiels | Early 20 th century gold pocket watch by Hamilton. Engraved “CB”. Belonged to Christopher Boyd and gifted to Burgh | |
| Sir Walter Scott Manuscript | Old Gala House, Galashiels | Original extract from “The Pirate” by Sir Walter Scott | |
| COMMON GOOD FUND | | | |
| Name of Asset | Location | Description | |
| Galashiels Common Good Fund | N/A | Fund set up for the benefit of the inhabitants of Galashiels. As at 31 March 2021, fund consisted of net assets of £173,560. | |



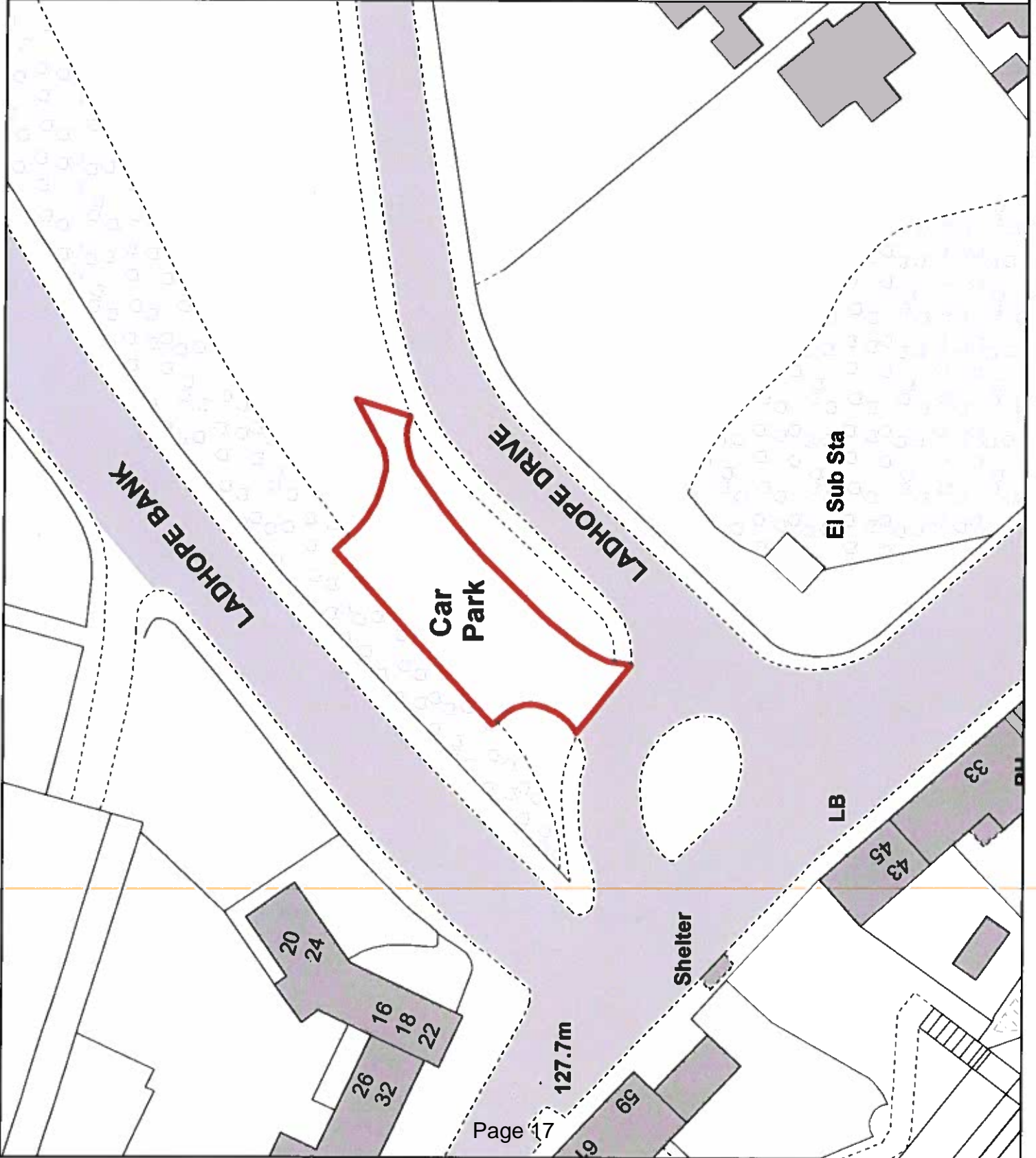
Car Park

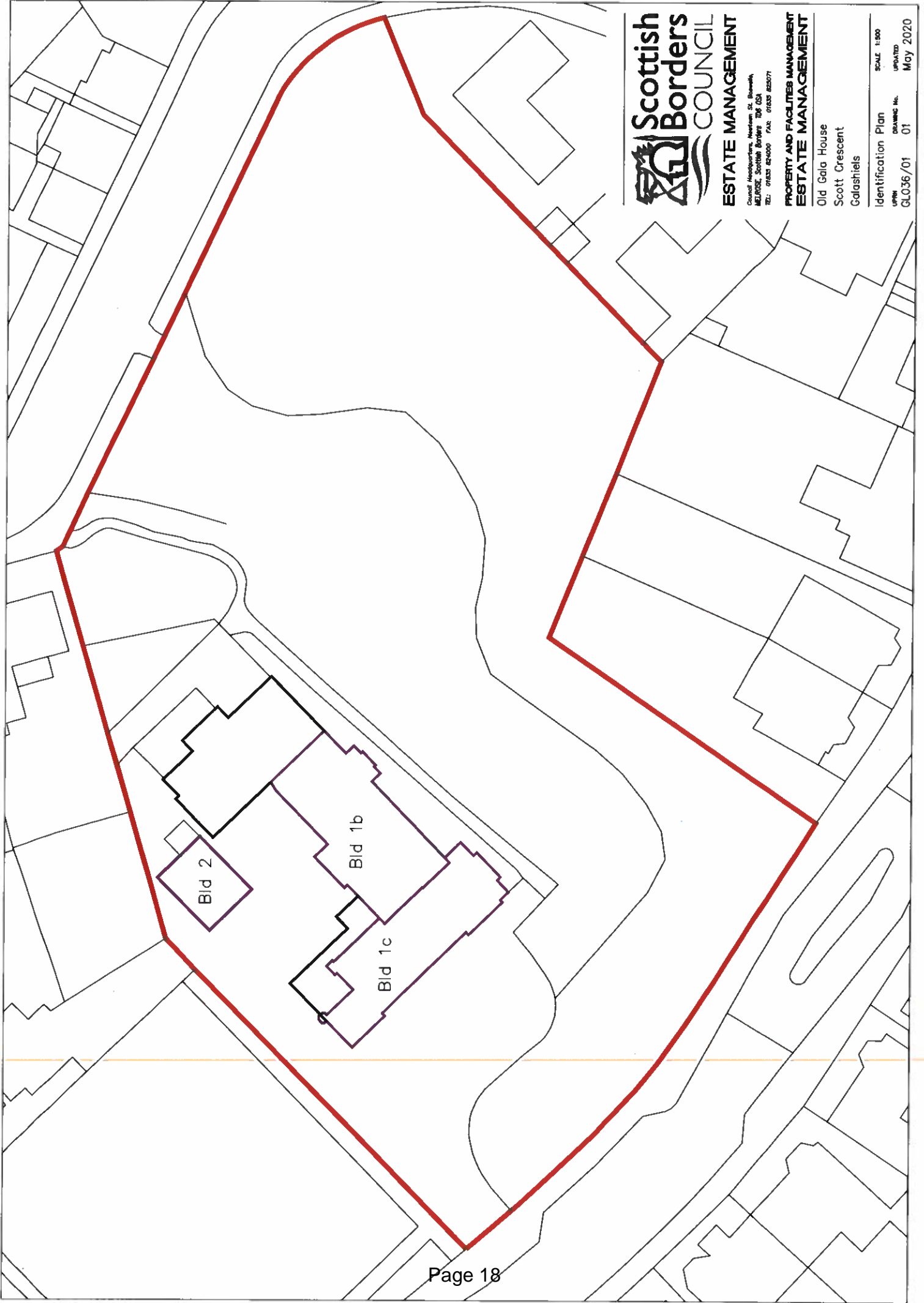
Ladhope Drive Car
Park
Ladhope Drive
Galashiels

Area: 319.73 sq. m o.t.

UPRN: GL006/06

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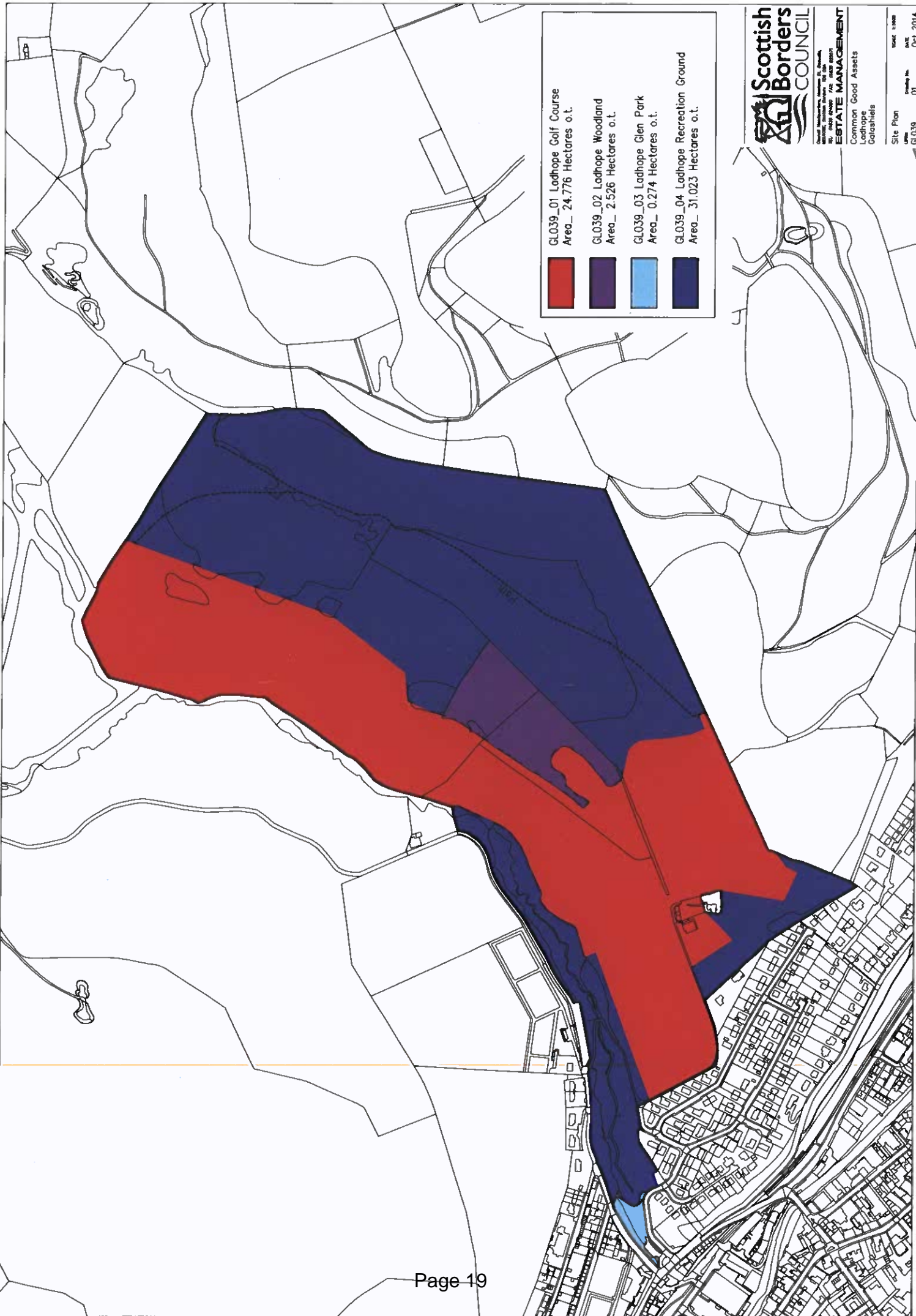
ESTATE MANAGEMENT




Council Headquarters, Newburn St, Burwell,
Melrose, Scottish Borders TD9 0SA
TEL: 01833 824000 FAX: 01833 825077

**PROPERTY AND FACILITIES MANAGEMENT
ESTATE MANAGEMENT**

Old Gdla House
Scott Crescent
Galashiels

Identification Plan
UPRN GLO36/01 01
SCALE 1:500
DRAWING No. 01
UPDATED May 2020



| | |
|---|--|
|  | GL039_01 Ladhope Golf Course Area_ 24,776 Hectares o.t. |
|  | GL039_02 Ladhope Woodland Area_ 2,526 Hectares o.t. |
|  | GL039_03 Ladhope Glen Park Area_ 0.274 Hectares o.t. |
|  | GL039_04 Ladhope Recreation Ground Area_ 31,023 Hectares o.t. |

Scottish Borders COUNCIL
 Council Headquarters, Victoria Road, Jedburgh
 TD1 1AB TEL 01833 830000 FAX 01833 830071
ESTATE MANAGEMENT
 Common Good Assets
 Ladhope
 Carshielts

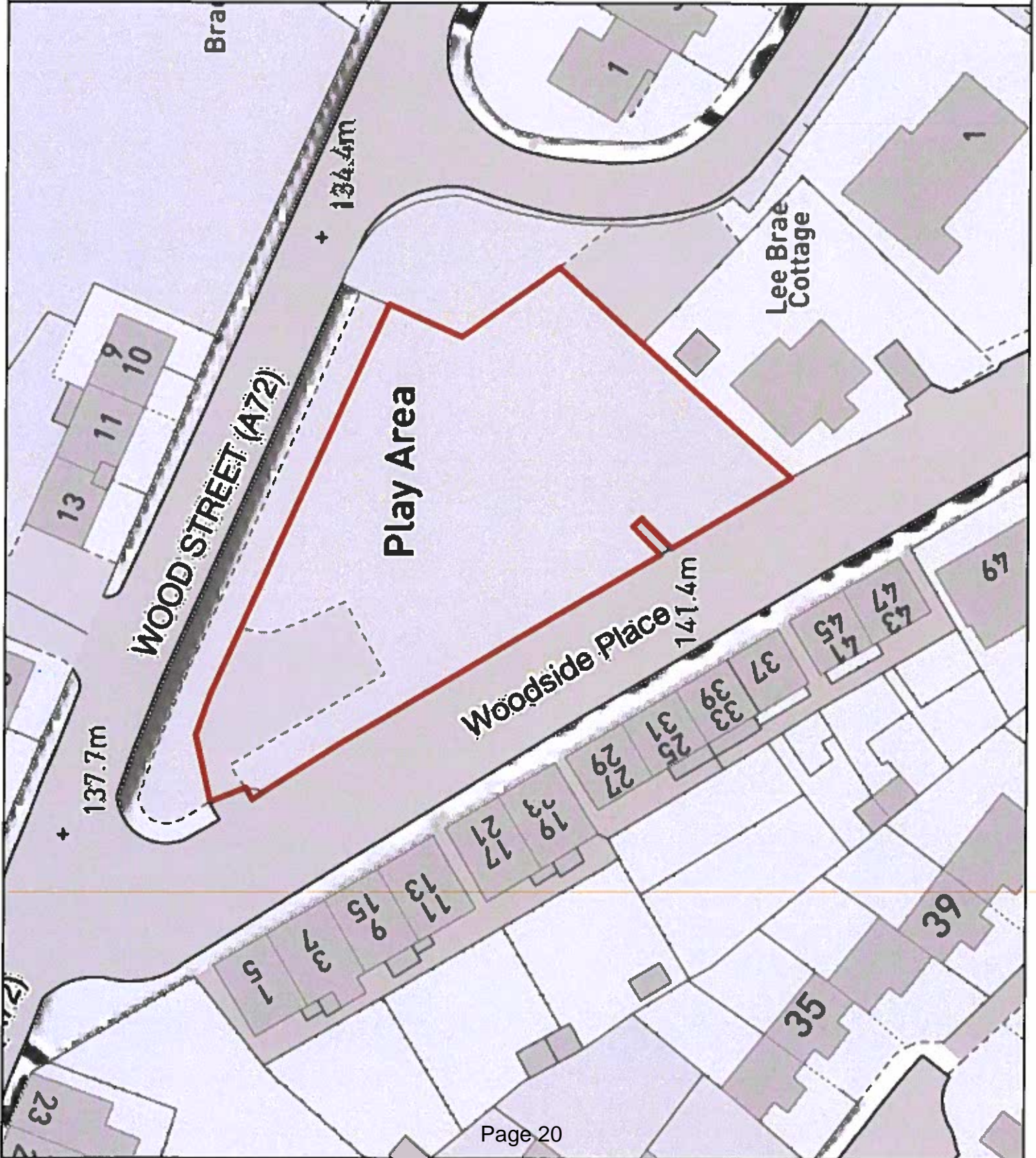
Site Plan
 URM
 Priority No. 01
 SCALE 1:5000
 DATE
 Oct 2014
 GLO39_01

Park
Leebrae Park
Woodside Place
Galashiels

Area: 1,425 sq m o.t.

UPRN: GL039/05

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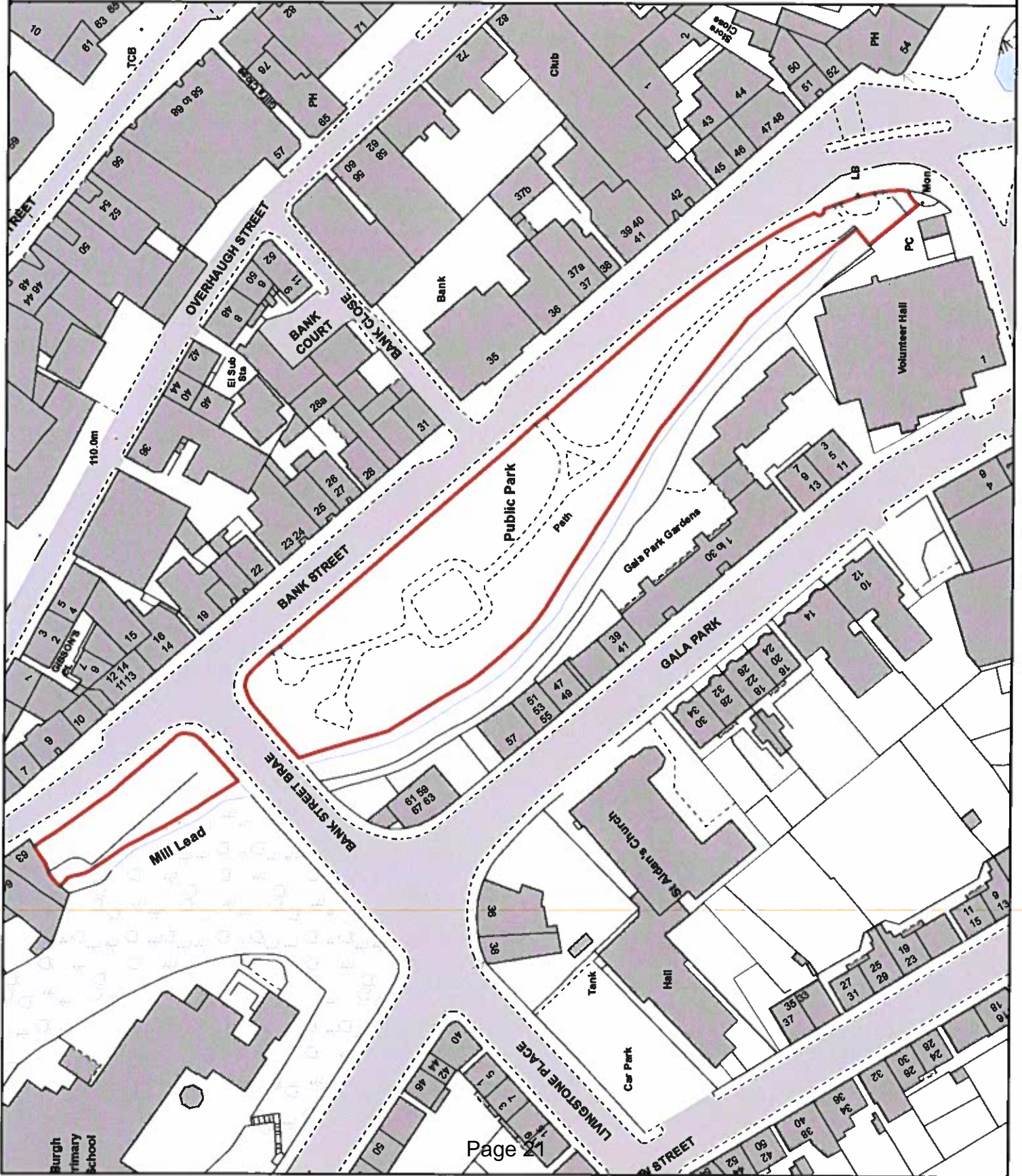
Park

**Bank Street Gardens
Bank Street
Galashiels**

Area: 4,060.74 sq m. o.t.

UPRN: GL040/05

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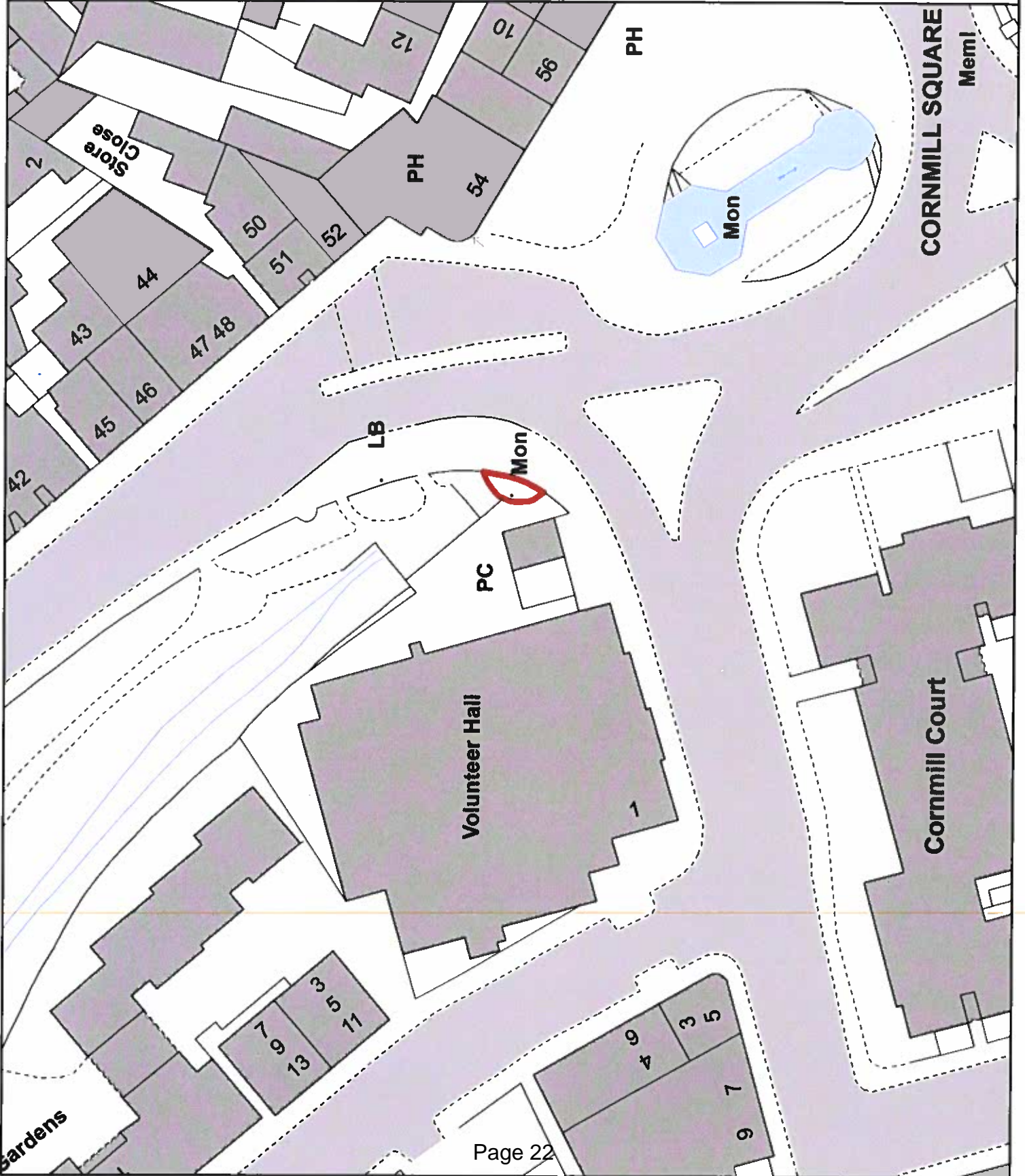
Monument

**Scott Statue
Bank Street
Galashiels**

Area: 9.16 sq m. o.t.

UPRN: GL041/03

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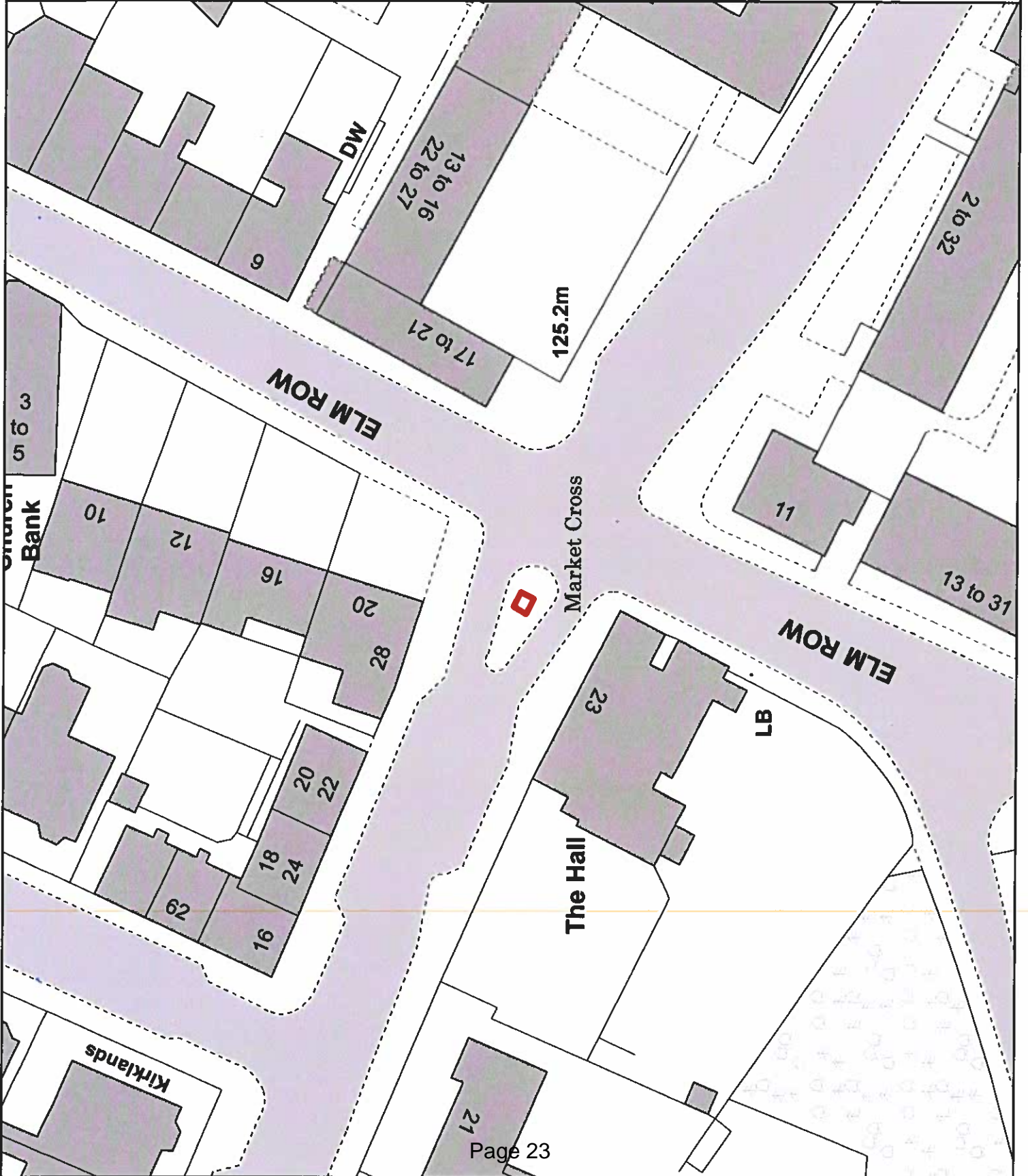
Monument

**Mercat Cross
Church Street
Galashiels**

Area: 2.29 sq m. o.t.

UPRN: GL041/06

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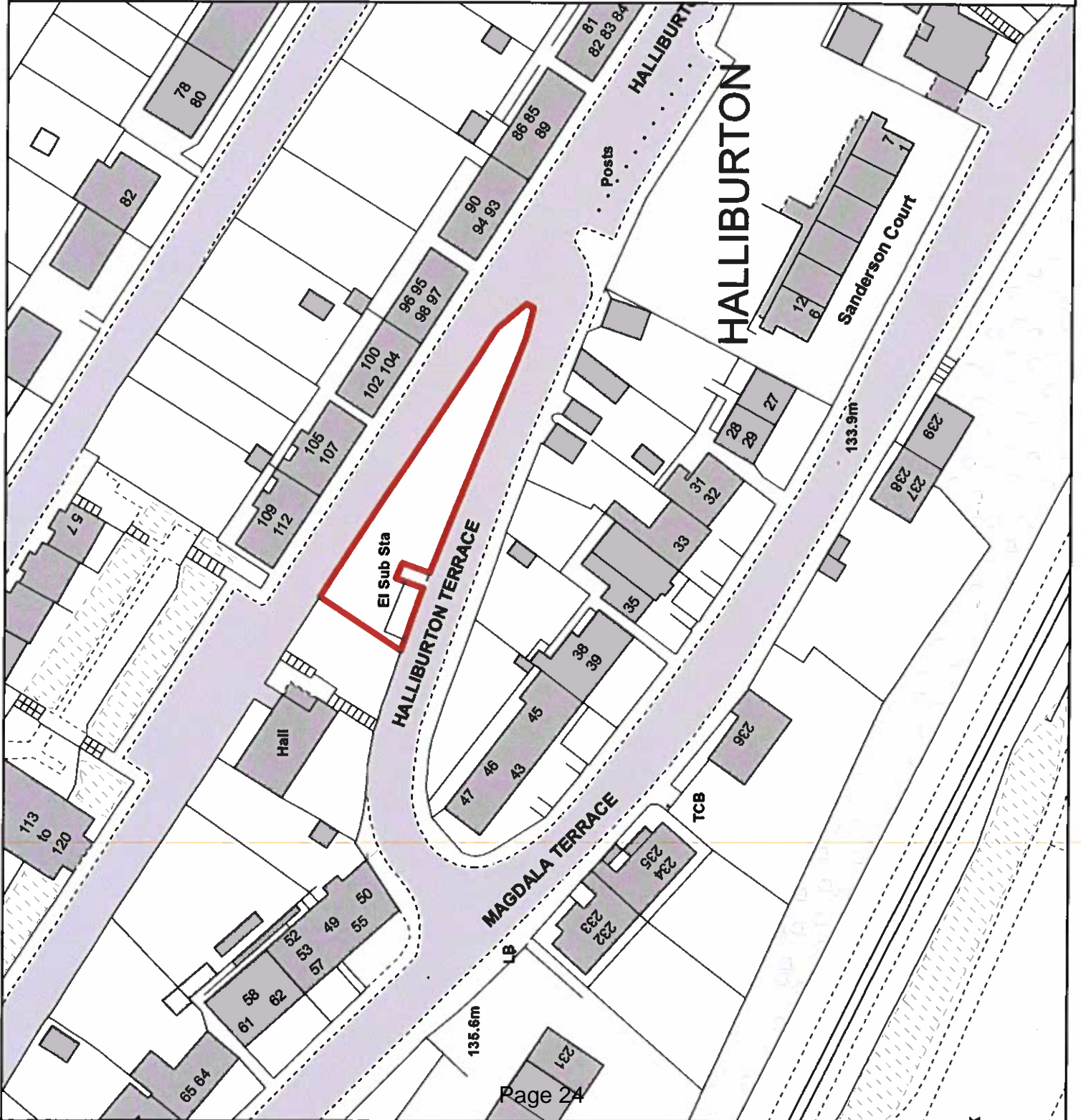
Site

Halliburton Place Amenity Ground
Halliburton Place
Galashiels

Area: 407.95 sq. m. o.t.

UPRN: GL064/01

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MONITORING REPORT FOR 3 MONTHS TO 30 JUNE 2022

Report by Acting Chief Executive

GALASHIELS COMMON GOOD FUND SUB-COMMITTEE

8 September 2022

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 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 projected income and expenditure position for 2022/23. This shows a projected surplus of £1,174.
- 1.3 Appendix 2 provides a projected balance sheet value as at 31 March 2023. It shows a projected decrease in reserves of £53,135
- 1.4 Appendix 3a provides a breakdown of the property portfolio showing projected rental income and projected net return for 2022/23 and actual property income to 30 June 2022.
- 1.5 Appendix 3b provides a breakdown of the property portfolio showing projected property expenditure for 2022/23 and actual property expenditure to 30 June 2022.
- 1.6 Appendix 4 provides a breakdown of the property portfolio showing projected property valuations at 31 March 2023.
- 1.6 Appendix 5 shows the value of the Aegon Asset Management Investment Fund to 30 June 2022.

2 RECOMMENDATIONS

- 2.1 It is recommended that the Common Good Fund Sub-Committee:**
 - (a) Agrees the projected income and expenditure for 2022/23 in Appendix 1 as the revised budget for 2022/23;**
 - (b) Notes the projected balance sheet value as at 31 March 2023 in Appendix 2;**
 - (c) Notes the summary of the property portfolio in Appendices 3 and 4; and**
 - (d) Notes the current position of 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 30 June 2022 and projections to 31 March 2023. The report also contains a projected balance sheet for the Common Good Fund as at 31 March 2023.

4 FINANCIAL POSITION 2022/23

- 4.1 Appendix 1 provides details on income and expenditure for the 2022/23 financial year. The projected net position for the year is a surplus of £1,174.

4.2 Income & Expenditure – Property Income

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

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 £7,380 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) Rebate income from Aegon Asset Management received in March 2022 of £40 was accounted for in 2021/22 however the corresponding 37 units have been purchased in April 2022.

4.4 Income & Expenditure – Property Expenditure

- (a) The property expenditure for 2022/23 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) 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 from Estates.
- (c) Ladhope woodland planting maintenance is to be funded by the Penmanshiel Grant – financial details for 2022/23 will be included once Tweed Forum have supported a re-forecast of the budget.
- (d) The projections for property repairs has been increased by £3,700 to cover agreed works at Ladhope Golf Club, this could reduce if the Golf Club agrees to make a contribution towards recent tree felling.

4.5 Income & Expenditure – Grants & Other Donations

The grants and other donations approved and distributed to 31 March 2023 are shown below:

| Grant Recipients | Approved | £ |
|---|-----------------|------------|
| Approved and Paid to 30 June 2022 | | 0 |
| Total Paid to 31 March 2023 | | 0 |
| Budget 2022/23 | | 500 |
| Unallocated/(Overallocated) Budget | | 500 |

4.6 Income & Expenditure – Central Support Service Charge

The proposed charge for 2022/23 is currently estimated using a 2% uplift on the 2021/22 charge. This is subject to revision once a full Service Charge Review has been completed and approved by Council.

4.7 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.

4.8 Appendix 2 provides the actual balance sheet value as at 1 April 2022, the projected movement in year and a projected balance sheet as at 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 1 April 2022, projected depreciation charges for 2022/23 and projected values at 31 March 2023.

4.10 Balance Sheet – Investment Fund

The fund has a 10.46% 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 10.70% since investment in February 2018.

4.11 Balance Sheet – Cash Balance

The cash held by the fund is projected to be £17,408 at 31 March 2023 and is detailed below:

| Cash Balance | £ |
|--|---------------|
| Opening Balance at 1 April 2022 | 16,395 |
| Projected surplus for year from Income & Expenditure Statement | 1,174 |
| Net cash movement in Debtors/Creditors | 0 |
| Rebate Investment in Aegon Asset Management | (161) |
| Projected Closing Balance as at 31 March 2023 | 17,408 |

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 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 **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.

5.8 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
Acting Chief Executive

Signature

Author(s)

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

Background Papers:

Previous Minute Reference: Galashiels Common Good Committee 30 June 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

PROJECTED INCOME AND EXPENDITURE 2022/23

| | Actuals at 30/06/22 | Full Year Approved Budget 2022/23 | Full Year Projected Out-turn 2022/23 | Full Year Projected Over/ (Under) Spend 2022/23 | Para Ref | Commentary |
|--|---------------------------|--|---|--|-------------|-------------------|
| | £ | £ | £ | £ | | |
| Property Income | | | | | | |
| Rental Income | 0 | 0 | 0 | | 4.2 | |
| Non-Property Related Income | | | | | | |
| Interest on Cash deposited with Council | 0 | (30) | (30) | | 4.3 | Est 5% return |
| Investment Funds – Dividends Rec'd | (823) | (7,380) | (7,380) | | 4.3 | |
| Other Income | 0 | (160) | (160) | | 4.3 | |
| Penmanshiel Fund (Tweed Forum) | 0 | | (400) | (400) | | |
| Total Income | (823) | (7,570) | (7,970) | (400) | | |
| Property Expenditure | | | | | | |
| Property Costs – General | 0 | 0 | 3,700 | 3,700 | 4.4 | |
| Tweed Forum (Penmanshiel Fund) | 0 | 0 | 400 | 400 | | |
| Total Property Expenditure | 0 | 0 | 4,100 | 4,100 | | |
| Grants & Other Donations | 0 | 500 | 500 | | 4.5 | |
| Central Support Service Charge | 0 | 2,196 | 2,196 | | 4.6 | Subject to review |
| Depreciation | | | | | | |
| Depreciation Charge | 0 | 54,309 | 54,309 | | 4.7 | |
| Contribution from Revaluation Reserve | (0) | (54,309) | (54,309) | | 4.7 | |
| Net impact of Depreciation on Revenue Reserve | 0 | 0 | 0 | | | |
| Total Net (Surplus)/Deficit for year | (823) | (4,874) | (1,174) | 3,700 | | |

PROJECTED BALANCE SHEET VALUE AS AT 31 MARCH 2023

| | Opening Balance at 01/04/22 | Projected Movement in Year | Projected Closing Balance at 31/03/23 |
|-----------------------------------|--------------------------------------|-------------------------------------|---|
| | £ | £ | £ |
| Fixed Assets | | | |
| Land & Buildings | 573,675 | (54,309) | 519,366 |
| Heritable Assets | 0 | 0 | 0 |
| Total Fixed Assets | 573,675 | (54,309) | 519,366 |
| Capital in Investment Fund | | | |
| Investment Fund Book Value | 159,803 | 161 | 159,964 |
| Unrealised Gains/(Loss) | 1,107 | | 1,107 |
| Market Value | 160,910 | 161 | 161,071 |
| Current Assets | | | |
| Debtors | 763 | 0 | 763 |
| Cash deposited with SBC | 16,395 | 1,013 | 17,408 |
| Total Current Assets | 17,158 | 1,013 | 18,171 |
| Current Liabilities | | | |
| Creditors | 0 | 0 | 0 |
| Total Current Liabilities | 0 | 0 | 0 |
| Net Assets | 751,743 | (53,135) | 698,608 |
| Funded by: | | | |
| Reserves | | | |
| Revenue Reserve | (27,232) | (1,174) | (28,406) |
| Capital Reserve | (304,162) | 0 | (304,162) |
| Revaluation Reserve | (420,349) | 54,309 | (366,040) |
| Total Reserves | (751,743) | 53,135 | (698,608) |

PROPERTY PORTFOLIO PERFORMANCE FOR 2022/23
(Actual income to 30 June 2022 and projections to 31 March 2023)

| Property Income – Land & Buildings | 2022/23 | | |
|---------------------------------------|--------------------|------------------------------|---------------------------------------|
| | Approv'd Budget | Actuals As at 30/06/22 | Projected Net (Return) /Loss |
| | £ | £ | £ |
| Ladhope Drive Car Park | 0 | 0 | 0 |
| Old Gala House | 0 | 0 | 0 |
| Old Gala House–Community Centre | 0 | 0 | 0 |
| Old Gala House–Caretakers Flat | 0 | 0 | 0 |
| Ladhope Golf Course | 0 | 0 | 3,700 |
| Ladhope Woodland | 0 | 0 | 0 |
| Ladhope Glen Park | 0 | 0 | 0 |
| Ladhope Recreation Ground | 0 | 0 | 0 |
| Leabrae Park | 0 | 0 | 0 |
| Bank Street Gardens | 0 | 0 | 0 |
| Sir Walter Scott Statue | 0 | 0 | 0 |
| Mercat Cross | 0 | 0 | 0 |
| Amenity Ground at Haliburton Pl | 0 | 0 | 0 |
| Property Expenditure (General) | 0 | 0 | 0 |
| Total | 0 | 0 | 3,700 |

PROPERTY PORTFOLIO PERFORMANCE FOR 2022/23
(Actual expenditure to 30 June 2022)

| Property Expenditure – Land & Buildings | 2022/23 | | | | |
|--|--------------------|---------------------|-------------------------------|-------------------|-----------------|
| | Approv'd Budget | Project'd Budget | Actual (Repair & Maint) | Actual (Other) | Actual Total |
| | | | £ | £ | £ |
| Ladhope Drive Car Park | 0 | 0 | 0 | 0 | 0 |
| Old Gala House | 0 | 0 | 0 | 0 | 0 |
| Old Gala House–Community Centre | 0 | 0 | 0 | 0 | 0 |
| Old Gala House–Caretakers Flat | 0 | 0 | 0 | 0 | 0 |
| Ladhope Golf Course | 0 | 3,700 | 0 | 0 | 0 |
| Ladhope Woodland | 0 | 0 | 0 | 0 | 0 |
| Ladhope Glen Park | 0 | 0 | 0 | 0 | 0 |
| Ladhope Recreation Ground | 0 | 0 | 0 | 0 | 0 |
| Leabrae Park | 0 | 0 | 0 | 0 | 0 |
| Bank Street Gardens | 0 | 0 | 0 | 0 | 0 |
| Sir Walter Scott Statue | 0 | 0 | 0 | 0 | 0 |
| Mercat Cross | 0 | 0 | 0 | 0 | 0 |
| Amenity Ground at Haliburton Pl | 0 | 0 | 0 | 0 | 0 |
| Property Expenditure (General) | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 3,700 | 0 | 0 | 0 |

**PROPERTY PORTFOLIO VALUATION FOR 2022/23
(Projected property valuation to 31 March 2023)**

| Fixed Assets – Land & Buildings | Net Book Value at 01/04/22 | Project'd Depn Charge 2022/23 | Project'd Net Book Value at 31/03/23 |
|--|---|--|---|
| | £ | £ | £ |
| Ladhope Drive Car Park | 0 | 0 | 0 |
| Old Gala House | 257,683 | (21,773) | 235,910 |
| Old Gala House-Community Centre | 213,810 | (25,263) | 188,547 |
| Old Gala House-Caretakers Flat | 63,182 | (7,273) | 55,909 |
| Ladhope Golf Course | 23,000 | 0 | 23,000 |
| Ladhope Woodland | 16,000 | 0 | 16,000 |
| Ladhope Glen Park | 0 | 0 | 0 |
| Ladhope Recreation Ground | 0 | 0 | 0 |
| Leabrae Park | 0 | 0 | 0 |
| Bank Street Gardens | 0 | 0 | 0 |
| Sir Walter Scott Statue | 0 | 0 | 0 |
| Mercat Cross | 0 | 0 | 0 |
| Amenity Ground at Haliburton Pl | 0 | 0 | 0 |
| Total | 573,675 | (54,309) | 519,366 |

| 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 |

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) | 149 | 151 |
| Aegon Fund Rebate – (2021-2022) | 147 | 161 |
| Aegon Fund Rebate – (2021-2022) | 37 | 40 |
| Total Invested To 30 June 2022 | 147,647 | 159,843 |

| Value of Investment | £ |
|---|-----------------|
| 31 March 2018 | 147,374 |
| 31 March 2019 | 160,469 |
| 31 March 2020 | 135,323 |
| 31 March 2021 | 160,912 |
| 31 March 2022 | 160,910 |
| 30 June 2022 | 143,129 |
| Increase/(Decrease) from Total Cash Invested | (16,714) |

| 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 |
| to 30 June 2023 | -10.46 | +10.70 |

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