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WILLIAM HILL TRUST SUB-COMMITTEE TUESDAY, 20 JUNE 2023

A MEETING of the WILLIAM HILL TRUST SUB-COMMITTEE will be held VIA MICROSOFT TEAMS on TUESDAY, 20 JUNE 2023 at 1.30 pm

J. J. WILKINSON,
Clerk to the Council,

15 June 2023

BUSINESS		
1.	Apologies for Absence	
2.	Order of Business	
3.	Declarations of Interest	
4.	Minute (Pages 3 - 4) Consider Minute of the Meeting held on 20 June 2023 for approval and signature by the Chair. (Copy attached.)	2 mins
5.	Monitoring Report for 12 Months to 31 March 2023 (Pages 5 - 12) Consider Report by Acting Chief Financial Officer. (Copy attached.)	10 mins
6.	Application for Financial Assistance - Melrose and District Community Council (Pages 13 - 14) Consider application for financial assistance from Melrose and District Community Council. (Copy attached.)	10 mins
7.	Any Other Items Previously Circulated	
8.	Any Other Items which the Chair Decides are Urgent	

NOTES

1. Timings given above are only indicative and not intended to inhibit Members' discussions.
2. Members are reminded that, if they have a pecuniary or non-pecuniary interest in any item of business coming before the meeting, that interest should be declared prior to commencement of discussion on that item. Such declaration will be recorded in the Minute of the meeting.

Membership of Committee:- Councillors D. Parker (Chair), J. Linehan, J. PatonDay and Mr S. Harris (Melrose and District CC)

Please direct any enquiries to William Mohieddeen
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**SCOTTISH BORDERS COUNCIL
WILLIAM HILL TRUST SUB-COMMITTEE**

MINUTES of Meeting of the WILLIAM HILL TRUST SUB-COMMITTEE held in via Microsoft Teams on Tuesday, 21 March 2023 at 1.00 pm

Present:- Councillors D. Parker (Chair), J. Linehan, J. PatonDay and Mr S. Harris (Melrose and District CC)

In Attendance:- Finance Technician Accounting and Reporting, Managing Solicitor (C. Donald), and Democratic Services Officer (W. Mohieddeen).

CHAIR'S REMARKS

The Chair welcomed Members, officers and members of the public to the meeting. The Chair advised that the Acting Chief Financial Officer was not able to attend the meeting and that the Finance Technician Accounting and Reporting was attending in her place.

1. **MINUTE.**

There had been circulated copies of the Minute of the Meeting held on 13 December 2023.

DECISION

AGREED to approve the Minute for signature by the Chair.

2. **MONITORING REPORT FOR 9 MONTHS TO 31 DECEMBER 2022 AND PROPOSED BUDGET FOR FINANCIAL YEAR 2023-24**

There had been circulated copies of a report by Acting Chief Financial Officer that provided the details of the income and expenditure for the William Hill Trust Fund for nine months to 31 December 2022, a full year projected out-turn for 2022-23, projected balance sheet values as at 31 March 2023 and proposed budget for 2023-24. Appendix 1 of the report provided the projected income and expenditure position for 2022-23 which showed a projected surplus of £9,657 for the year, which was less than the previously reported surplus on 13 December 2022, as a result of an increase to the Grants and other donations budget and an increase in the donation from Gibson Park. Appendix 2 of the report provided a projected balance sheet value as at 31 March 2023 which showed a projected increase in reserves of £9,657. Appendix 3 of the report showed the value of the Aegon Asset Management Investment Fund to 31 December 2022. The projected outturn position showed an amount of £170 related to interest receivable on cash held by SBC. Also included were dividends from the Trust Funds investment in Aegon Asset Management which amounted to £8,220, with the projection for 2023-24 remaining at the 5% target and the monthly distribution profile projections provided by Aegon. The position was to be monitored closely with Aegon Asset Management. Included within other income was a rebate from Aegon Asset Management of £89 which, along with the £44 received in March 2022, had been re-invested to purchase an additional 137 units.

DECISION

(a) **AGREED the proposed budget for 2023-24 as shown in Appendix 1 of the report;**

(b) NOTED:

- (i) the projected income and expenditure for 2022-23 in Appendix 1 of the report as the revised budget for 2022-23;**
- (ii) the projected balance sheet value as at 31 March 2023 in Appendix 2 of the report; and,**
- (iii) the current position of the Aegon Asset Management Investment Fund in Appendix 3 of the report.**

3. APPLICATION FOR FINANCIAL ASSISTANCE

There had been circulated copies of an application for financial assistance of £2,500 from Melrose Music Festival to contribute towards the cost of the 2023 Melrose Music Festival. Members considered the application and discussed whether recurring funding awards should be made to organisations. Members agreed to support the application with a funding award of £1,250, half of the funding sought, however advice should be given to the applicant that funding on a recurring basis was not normally made and that other sources of income should be explored.

DECISION

AGREED:

- (a) to grant Melrose Music Festival an award of £1,250; and,**
- (b) to advise the applicant in the confirmation of the award that recurring funding awards were not normally made and that alternative funding sources should be explored.**

The meeting concluded at 1.15 pm.



MONITORING REPORT FOR 12 MONTHS TO 31 MARCH 2023

Report by Acting Chief Financial Officer

WILLIAM HILL TRUST FUND SUB-COMMITTEE

20 June 2023

1 PURPOSE AND SUMMARY

- 1.1 This report provides the details of the income and expenditure for the William Hill Trust Fund for the year 2022/23 including balance sheet values as at 31 March 2023, 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 for 2022/23. This shows a surplus of £9,529 for the year.
- 1.3 Appendix 2 provides an actual balance sheet value as at 31 March 2023. It shows a decrease in reserves of £12,648.
- 1.4 Appendix 3 shows the value of the Aegon Asset Management Investment Fund to 31 March 2023.

2 RECOMMENDATIONS

2.1 I recommend that the Trust Fund Sub-Committee:

- (a) Notes the actual income and expenditure for 2022/23 in Appendix 1;**
- (b) Notes the projected income and expenditure for 2023/24 in Appendix 1;**
- (c) Notes the final balance sheet value as at 31 March 2023 and projected balance sheet value as at 31 March 2024 in Appendix 2; and**
- (d) Notes the current position of the Aegon Asset Management Investment Fund in Appendix 3.**

3 BACKGROUND

3.1 This report provides the Committee with financial information for the period to 31 March 2023 and projections to 31 March 2024. The report also contains a projected balance sheet for the Trust Fund as at 31 March 2024.

4 FINANCIAL POSITION 2022/23

4.1 Appendix 1 provides details on income and expenditure for the 2022/23 financial year, which resulted in a surplus of £9,529, as well as projections for 2023/24.

4.2 Income & Expenditure – Non-Property Related Income

(a) The final out-turn position shows an amount of £684 relating to interest receivable on cash held by SBC. This is higher than the projected figure due to the improvement in interest rates. Also included are dividends from the Trust Fund's investment in Aegon Asset Management amounting to £9,319, with the projection for 2023/24 remaining at 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 is a rebate from Aegon Asset Management of £184 which, along with the £44 received in March 2022, has been re-invested to purchase an additional 234 units. Rebate income received in March 2023 of £48 has been accounted for within income, but the corresponding 49 units were not purchased until April 2023.

4.3 Income & Expenditure – Donations from Other Trusts.

Approved budgets for 2023/24 have been calculated using an average of prior years' donations.

4.4 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 31 March 2023		
Sports Champion Melrose Primary	Annual	40
Melrose Music Festival	08/03/22	2,500
The Rotary Club of Melrose	13/12/22	637
Melrose Football Club	13/12/22	15,000
Total Paid to 31 March 2023		18,177
2022/23 Budget		18,200
<i>(Unallocated)/Over allocated Budget</i>		(23)
Approved but not yet paid		
Melrose Music Festival	21/03/23	1,250
Total Grants Approved not paid		1,250
2023/24 Future Commitments		
Sports Champion Melrose Primary	Annual	40

4.5 Appendix 2 provides the actual balance sheet value as at 31 March 2023 and a projected balance sheet as at 31 March 2024.

4.6 Balance Sheet – Investment Fund

The fund has an 11.69% 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 13.46% since investment in February 2018.

4.7 Balance Sheet – Cash Balance

The cash held by the fund is £26,298 at 31 March 2023 and is detailed below:

Cash Balance	£
Opening Balance at 1 April 2022	46,734
Projected surplus for year from Income & Expenditure Statement	9,529
Net Cash Movement in Debtors/Creditors	263
Investment in Aegon Asset Management	(30,000)
Rebate Investment in Aegon	(228)
Projected Closing Balance at 31 March 2023	26,298

4.8 Balance Sheet – Capital Reserve

The movement in the Capital Reserves includes the unrealised gain for the Aegon Asset Management Fund as at 31 March 2023, but due to the nature of the markets no estimate has been made for the future year's 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 Trust 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 Trust 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

Suzy Douglas
Acting Chief Financial Officer

Author(s)

Suzy Douglas	Acting Chief Financial Officer - Tel:01835 825881
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Background Papers:

Previous Minute Reference: William Hill Trust Fund Committee 21 March 2023.

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 Pensions & Investment Team, Council Headquarters, Newtown St Boswells, Melrose, TD6 0SA. Tel: 01835 824000 Fax: 01835 825166
Email: t&cteam@scotborders.gov.uk

WILLIAM HILL TRUST FUND

APPENDIX 1

ACTUAL INCOME AND EXPENDITURE 2022/23

	Actuals at 31/03/23	Full Year Approved Budget 2022/23	Over/ (Under) Spend 2022/23	Full Year Approved Budget 2023/24	Para Ref	Commentary
	£	£	£	£		
INCOME						
Non-Property Related Income						
Interest on Cash deposited with Council	(684)	(170)	(514)	(170)	4.2	Est 5% return
Investment Fund – Dividends Rec’d	(9,318)	(8,220)	(1,098)	(9,795)	4.2	
Misc Income	(183)	(170)	(13)	(170)	4.2	
	(10,185)	(8,560)	(1,625)	(10,135)		
Donations from Other Trusts						
Greenyards Trust	(291)	(325)	34	(300)	4.3	3 year average
Garrison Park	(17,230)	(18,972)	1,742	(13,212)	4.3	
	(17,521)	(19,297)	1,776	(13,512)		
TOTAL INCOME	(27,706)	(27,857)	151	(23,647)		
EXPENDITURE						
Grants & Other Donations						
General Fund	18,177	18,200	(23)	12,090	4.4	3 year average
TOTAL EXPENDITURE	18,177	18,200	(23)	12,090		
Total Net (Surplus)/Deficit for year	(9,529)	(9,657)	128	(11,557)		

BALANCE SHEET VALUE AS AT 31 MARCH 2023

	Opening Balance at 01/04/22 £	Movement in Year £	Closing Balance at 31/03/23 £	Projected Closing Balance at 31/03/24 £
Capital in Investment Funds				
Investment Fund Book Value	179,529	30,228	209,757	209,985
Unrealised Gains/(Loss)	(307)	(22,177)	(22,484)	(22,484)
Market Value	179,222	8,051	187,273	187,501
Current Assets				
Debtors	850	(263)	587	587
Cash deposited with SBC	46,734	(20,436)	26,298	37,627
Total Current Assets	47,584	(20,699)	26,885	38,214
Current Liabilities				
Creditors	0	0	0	0
Total Current Liabilities	0	0	0	0
Net Assets	226,806	(12,648)	214,158	225,715
Funded by:				
Reserves				
Revenue Reserve Fund	(112,785)	(9,529)	(122,314)	(133,871)
Capital Reserve Fund	(114,021)	22,177	(91,844)	(91,844)
Total Reserves	(226,806)	12,648	(214,158)	(225,715)

INVESTMENTS EXTERNALLY MANAGED

Book Value Movements	Units	£
Aegon Asset Management Investment (12 February 2018)	137,529	148,903
Aegon Fund Rebate – (2018-2019)	141	152
Aegon Asset Management Investment (February 2020)	26,295	30,000
Aegon Fund Rebate – (2019-2020)	114	127
Aegon Fund Rebate – (2020-2021)	166	167
Aegon Fund Rebate – (2021-2022)	164	180
Aegon Asset Management Investment (June 2022)	31,208	30,000
Aegon Fund Rebate – (2022-2023)	234	228
Total Book Value as at 31 March 2023	195,851	209,757

Market Value of Investment	£
31 March 2018	154,910
Fund 1 – Transfer (1 April 2018)	(199)
Fund 2 – Transfer (1 April 2018)	(5,807)
1 April 2018	148,904
31 March 2019	150,088
31 March 2020	150,723
31 March 2021	179,224
31 March 2022	179,222
30 June 2022	189,671
30 September 2022	177,736
31 December 2022	187,728
31 March 2023	187,273
Increase/(Decrease) from Total Cash Invested	(22,484)

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 2022	-10.70	+10.49
to 30 September 2022	-16.12	+5.84
to 31 December 2022	-11.43	+12.81
to 31 March 2023	-11.69	+13.46



**WILLIAM HILL TRUST FUND
APPLICATION FOR FINANCIAL ASSISTANCE**

<p><u>Applicant Details</u> Name and Address of Applicant/Organisation:</p> <p>Telephone No:</p>	<p>Douglas Stewart (Treasurer)</p>
<p>Address to which payment should be made:</p>	<p>As above</p>
<p><u>Activities</u> Please supply a brief description of the activities of your organisation and the benefits it brings to the local community:</p>	<p>Community Council</p>
<p><u>Assistance Requested</u> Please indicate the sum requested and the purpose for which it will be used:</p>	<p>£430 for 2 years standing charge of the electricity supply in Melrose square.</p>
<p>When will the donation be required:</p>	<p>June 2023</p>
<p>If this is a one-off project then please give the following details –</p> <p>Date (s):</p> <p>Estimated total cost:</p> <p>Funds already raised by applicant's own efforts:</p> <p>Funds raised or expected to be raised from other sources (please state sources):</p>	<p>01/04/2023-31/03/2025</p> <p>£430</p> <p>n/a</p> <p>n/a</p>

<p><u>Other information</u> If you have other information which you feel is relevant to this application please provide details including details of any previous assistance given:</p>	<p>The electricity supply in the square is rarely used, but when Scottish Power more than doubled the standing charge, it was considered to cut off the supply. However, it was recommended that the supply be kept on for a 2 year period and funding would be sought outwith the annual grant provided by SBC. In the meantime, an alternative energy supplier was researched and the supply switched to reduce impact of this cost.</p>
<p><u>Declaration</u> I hereby make application for assistance as set out above and certify that the information I have provided is accurate</p> <p>Signed:</p> <p>Position Held: Treasurer</p> <p>Date: 07/04/2023</p>	
<p>Note: All applications from organisations MUST be accompanied by a copy of the latest audited accounts</p>	
<p>This completed form, accounts and any supporting details should be submitted to Democratic Services, Scottish Borders Council, Council Headquarters, Newtown St Boswells, TD6 0SA. ComPap@scotborders.gov.uk Telephone 01835 826585</p>	