

SCOTTISH BORDERS COUNCIL

SELKIRK COMMON GOOD FUND SUB COMMITTEE

MINUTE of Meeting of the SELKIRK
COMMON GOOD FUND SUB COMMITTEE
held in Committee Room 3, HQ on
Wednesday, 8 June, 2016 at 3.00 pm

Present:- Councillors G. Edgar (Chairman), M. Ballantyne, V. M. Davidson (from para 3.2) and Community Councillor T Combe

In Attendance:- Solicitor (J Webster), Senior Finance Officer (J Yallop), Estates Surveyor (J Morison), Democratic Services Officer (F Walling)

1. **DECLARATIONS OF INTEREST**

Community Councillor Combe declared an interest in the application for financial assistance from Scott's Selkirk Association (para 3.2) and left the meeting while this was being discussed.

2. **MINUTE**

There had been circulated copies of the Minute of 17 February 2016.

DECISION

APPROVED the Minute for signature by the Chairman

3. **FINANCIAL MONITORING REPORT TO 31 MARCH 2016**

- 3.1 There had been circulated copies of a report by the Chief Financial Officer providing the details of income and expenditure for the Selkirk Common Good Fund for the year to 31 March 2016, including balance sheet values to 31 March 2016 and proposed budget for 2016/17. Senior Finance Officer, John Yallop, highlighted the main points of the report and appendices. Appendix 1 to the report provided the actual income and expenditure for 2015/16. This showed a surplus of £30,579 and a projected surplus of £26,369 for 2016/17. The surplus for 2015/16 was more than projected due to lower than anticipated grant payments and property costs. Appendix 2 to the report provided a balance sheet value as at 31 March 2016. This showed a decrease in the reserves of £47,788 mainly due to the depreciation adjustment. A breakdown of the property portfolio was detailed in Appendix 3, showing where applicable the actual rental income and property expenditure to 31 March 2016 and the 2015/16 depreciation charge. Appendix 4 showed the value of the Newton Fund to 31 March 2016. The report explained the effects of uncertainty in the investment market during 2015/16. Despite a rally in Quarter 4 the value of the Newton Fund did not get back to its March 2015 level, resulting in a 1.5% fall in like for like market value over the year. However the closing market value of Selkirk Common Good investments at 31 March 2016 yielded a 4.0% unrealised gain since inception. Common Good dividends received in 2015/16 amounted to £2,960, approximately 2.3% of funds invested. Mr Yallop answered Members' questions in particular about the cash balance, with the view being expressed that more should be invested in the Newton Fund. Mr Yallop was asked to track the cash balance on a quarter by quarter basis over the last two years and to calculate how much could be invested based on an amount which was 10% lower than the lowest cash balance, but no more than £100k.

MEMBER

Councillor Davidson joined the meeting.

- 3.2 Mr Yallop drew attention to the application from Scott's Selkirk Association for the annual grant to cover the rent of the Green Shed for the 2015/16 financial year. Although this was on the agenda for discussion at a later stage of the meeting, Members agreed that in view of the nature of this standing financial arrangement with Scott's Selkirk it was appropriate to consider this in conjunction with the financial monitoring report. Having declared an interest Community Councillor Combe therefore left the meeting while this was being discussed. With reference to paragraph 2 of the Minute of 17 February 2016, Mr Yallop clarified that Scott's Selkirk Association currently paid an annual rent of £1,175 by monthly direct debit to Selkirk Common Good Fund for the Green Shed which the association maintained for use by other groups in the town. In return, an annual grant of £1,175 was paid back to the Association for carrying out that role. However, although £1,175 had been received in rent for 2015/16 the application from Scott's Selkirk was in retrospect as no grant had been paid for that year. Members agreed that a grant of £1,175 should be paid retrospectively for 2015/16 and that from 1 April 2016 they confirmed that this financial arrangement with Scott's Selkirk should be recorded in the accounts on a 'notional' basis. Members noted that the grant application received was for £1,200 but that the actual amount due was £1,175 as stated. It was also agreed that any rent from the association received to date for the 2016/17 financial year be re-imbursed prior to the arrangement being recorded on a 'notional' basis. It was also agreed that this arrangement with Scott's Selkirk be approved for two years after which time it would be reviewed and that an annual report be provided by Scott's Selkirk to the Selkirk Common Good Fund Sub Committee identifying full uses and occupiers of the hut.
- 3.3 Members' discussion moved on to consider other areas of the proposed 2016/17 budget. With regard to grants and donations it was agreed that, in view of the surplus funds, the grants payable budget should be increased from £16.5k to £26.5k, thereby reducing the proposed surplus in 2016/17 to £16,369. After receiving answers from the Estates Surveyor to questions about potential property maintenance requirements Members agreed to keep the property cost budget as stated, on the understanding that an in-year increase in budget may be required. There were further questions about the maintenance responsibilities in respect of the Victoria Hall and the use of the adjoining flat, in the light of the transfer to LiveBorders. It was noted that LiveBorders would have full responsibility for maintenance of the whole property but Members agreed that any contractual lease should include an oversight of maintenance and sublets etc. In concluding consideration of the financial monitoring report, Councillor Davidson referred again to the Central Support Service Charges to which Selkirk Common Good Fund had historically been committed, and which were shown to be high in comparison to those charged to other Common Good Funds. Mr Yallop agreed to pursue this issue with the Chief Financial Officer.

DECISION

(a) NOTED:-

- (i) the actual income and expenditure for 2015/16 shown in Appendix 1 to the report;**
- (ii) the final Balance Sheet value to 31 March 2016 in Appendix 2 to the report;**
- (iii) the summary of the property portfolio in Appendix 3 to the report; and**
- (iv) the current position of the investment in the Newton Fund in Appendix 4 to the report.**

- (b) **AGREED** the proposed budget for 2016/17 shown in Appendix 1 to the report subject to the following amendments:-
- (i) to pay to Scott's Selkirk Association the retrospective annual grant of £1,175 for the management of the Green Hut, for 2015/16 plus the re-imbursment of rent paid by the Association since 1 April 2016;
 - (ii) that the financial arrangement with Scott's Selkirk Association in respect of the Green Hut be moved to a notional grant and charge from 1 April 2016, subject to the receipt of an annual report and subject to the arrangement being reviewed after a two year period;
 - (iii) to increase the grants and donations budget to £26.5k; and
 - (iv) to invest a further amount in the Newton Fund based on an amount which was 10% lower than the lowest cash balance tracked over the last two years, but no more than £100k.
- (c) **AGREED** to pursue with the Chief Financial Officer the historical level of Central Support Charges applied to Selkirk Common Good and the possibility of re-imbursment for these.

4. **APPLICATIONS FOR FINANCIAL ASSISTANCE**

4.1 **Selkirk Chamber of Trade**

There had been circulated copies of an application from Selkirk Chamber of Trade for a grant of £4,000 to allow the Chamber of Trade to round off its involvement with the very successful Pop-up Shops initiative. The Chamber of Trade had originally conceived the idea and it had run the project since January 2013. The application gave details of how the project had been funded to date and grants received. The Chamber had been left with a deficit of just over £4,000 and following discussions about how best to carry the project forward it had been agreed that as of 30 April 2016 the administration of the project would be passed over to the owners of the shops currently in use. The Chamber of Trade would no longer run the project but would continue to support it in the future, noting the increase in footfall the project brought to the High Street. Members recognised the value of the Pop-up Shops initiative and the increased vibrancy brought to the town. Although they did not welcome retrospective applications for financial assistance they unanimously approved this grant to the Chamber of Trade.

DECISION

AGREED to grant £4,000 to the Selkirk Chamber of Trade.

4.2 **Selkirk Silver Band**

There had been circulated copies of an application from Selkirk Silver Band for a grant of £750 towards the costs of competing at the National Brass Band Championships in Cheltenham in September 2016. It was explained that this was the first time in 12 years that the band had qualified for the Finals. This was a great opportunity for the band to compete in the Championships and to represent the Scottish Borders and Scotland. Members congratulated the band and gave the application their unanimous support.

DECISION

AGREED to grant £750 to Selkirk Silver Band.

5. **PROPERTY**

The Estates Surveyor, James Morison, gave a verbal update on current property issues. With regard to repairs needed to the wall on Buccleuch Road the Property Manager had obtained a quote for repair in five phases, the total cost being £5.5k. After discussion Members agreed to authorise the repair in full but requested that this should be carried

out in phases with an invoice being submitted for each phase. Although the works on the ramp at the Green Hut had been completed it was noted that there was now a problem with the fit of the door allowing water to run in. Mr Morison agreed to ask the Property Manager to investigate this. Discussion continued on the repairs required to the old parapet at the bridge over the mill lade, in Victoria Park. This was not owned by the Common Good but Mr Morison was asked to look into how repairs could be funded through a community scheme, indicating that the Common Good would be prepared to contribute. Members were in favour of a suggestion to erect a small plaque drawing attention to this historical feature after repairs had been completed.

**DECISION
AGREED:-**

- (a) to approve repairs to the wall alongside Buccleuch Road to be carried out in five phases;
- (b) to request the Property Manager to investigate the fit of the door on the new ramp at the Green Hut; and
- (c) that the Common Good Fund would contribute towards the repair of the parapet at the bridge over the mill lade in Victoria Park if this could be pursued through a community scheme.

6. **ITEMS LIKELY TO BE TAKEN IN PRIVATE
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.

7. **MINUTE**

Members approved the private section of the Minute of 17 February 2016.

8. **PROPERTY**

Members considered an update by the Estates Surveyor.

The meeting concluded at 5.15 pm