

---

## **Monitoring Report for 6 Months to 30 September 2016**

**Report by the Chief Financial Officer**

---

### **Innerleithen Common Good Sub Committee**

**27 October 2016**

---

#### **1 PURPOSE AND SUMMARY**

- 1.1 This report provides the details of the assets held by the Innerleithen Common Good Fund as at 30 September 2016, a full year projected revenue out-turn for 2016/17 and projected balance sheet values as at 31 March 2017.**
- 1.2 The Memorial hall was recognised as Common Good asset on 1 April 2015. The table in paragraph 3.3 details how the three elements of the Hall were valued and depreciated during 2015-16.
- 1.3 Appendix 1 provides a projected Income and Expenditure account for the year to 31 March 2017.
- 1.3 Appendix 2 provides a projected balance sheet as at 31 March 2017. It shows a projected decrease in the reserves of £17,039.

#### **2 RECOMMENDATIONS**

- 2.1 It is recommended that the Common Good Sub Committee:**
  - (a) Agrees the projected income and expenditure for 2016/17 in Appendix 1 as the revised budget for 2016/17;**
  - (b) Notes the projected balance sheet value as at 31 March 2017 in Appendix 2;**

### 3 BACKGROUND

- 3.1 Innerleithen Memorial Hall was recognised as a Common Good asset on April 1<sup>st</sup> 2015. Until that time the Hall was deemed to belong to Scottish Borders Council (SBC). This transfer relates to the *ownership* of the hall and has no impact on the transfer of the operation and maintenance of the hall, which is undertaken jointly between SBC and Live Borders.
- 3.2 Live Borders are liable for operating costs such as staffing, energy and communications in return for their retention of all income earned. Scottish Borders Council have retained budget and liability for rates, insurance and maintenance costs.
- 3.3 The following table details the recognised value of the three elements of the hall at transfer on 1 April 2015, the depreciation costs incurred in 2015-16 and the net book value of the property held on the Innerleithen Common Good Balance Sheet at 31 March 2016:

	2015-16 Opening Value	2015-16 Depreciation	2015-16 Year End Valuation
Hall	244,000	11,833	232,167
Hall Office	31,089	1,978	29,111
Upper Floor Offices	49,089	3,228	45,861
<b>TOTAL</b>	<b>324,178</b>	<b>17,039</b>	<b>307,139</b>

- 3.4 This report provides the Committee with financial information for the period to 30 September 2016 and projections to 31 March 2017. The report also contains a projected balance sheet for the Common Good Fund as at 31 March 2017.

### 4 FINANCIAL POSITION 2016/17

- 4.1 **Income & Expenditure – Depreciation Charge**  
Appendix 1 provides detail on income and expenditure for the 2016/17 financial year. The annual depreciation cost, estimated to be £17,039 is not a cash transaction and will be off-set by a contribution from the Revaluation Reserve as shown in the balance sheet. This is to negate the accounting loss the depreciation charge creates and this accounting treatment is used for all Common Good properties. As such, the net income / expenditure impact will be nil.
- 4.2 **Income & Expenditure – Property Costs and Income**  
As the liability for the upkeep of the Hall falls to Scottish Borders Council, there is no anticipated income or expenditure relating to the Hall.
- 4.3 **Income & Expenditure – Grants & Other Donations**  
It is anticipated that no grants will be paid from the Innerleithen Common Good Fund.
- 4.4 Appendix 2 provides the balance sheet value as at 31 March 2016, the projected movement in year and a projected balance as at 31 March 2017.

#### 4.5 **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 next revaluation of the Innerleithen Memorial Hall will be carried out during 2019/20. It is anticipated that a revaluation surplus will be realised upon revaluation and this will partially or wholly replace the deductions from the Revaluation Reserve used to fund the annual depreciation charges.

### **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 with any property that works will be required during its life, which the Common Good does not hold funds for. This risk is mitigated by agreements in place between Scottish Borders Council and LIVE Borders. Operational costs are met by LIVE Borders and major repairs by Scottish Borders Council.

#### 5.3 **Equalities**

It is anticipated that there are no adverse equality implications arising from the proposals contained in this report.

#### 5.4 **Acting Sustainably**

Whilst there are no economic, social or environmental effects arising from this report. The hall is a valuable community asset which through its activities has 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.

#### 5.5 **Carbon Management**

There are no effects on carbon emissions arising from the proposals contained in this report.

#### 5.6 **Rural Proofing**

There are no effects on rural proofing arising from the proposals contained in this report.

#### 5.7 **Changes to Scheme of Administration or Scheme of Delegation**

There are no changes required to the Scheme of Administration or Scheme of Delegation arising from the proposals contained in this report.

## 6 CONSULTATION

6.1 The Monitoring Officer, the Chief Legal Officer, the Chief Officer Audit and Risk, the Chief Officer HR and the Clerk to the Council have been consulted and their appropriate comments have been incorporated into this report.

### Approved by

**David Robertson**  
**Chief Financial Officer**

**Signature .....**

### Author(s)

Kirsty Robb John Yallop	Capital and Investments Manager Tel: 01835 825249 Senior Finance Officer – Treasury & Investments Tel: 01835 824000 Extn 5933
----------------------------	---

### Background Papers:

**Previous Minute Reference:** Scottish Borders Council 31 March 2016

**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: [treasuryteam@scotborders.gov.uk](mailto:treasuryteam@scotborders.gov.uk)

## INNERLEITHEN COMMON GOOD FUND

## PROJECTED INCOME AND EXPENDITURE 2016/17

	Actuals at 30/09/16 £	Full Year Approved Budget 2016/17 £	Full Year Projected Out-turn 2016/17 £	Full Year Projected Over/ (Under) Spend £	Para Ref	Commentary
<b>Depreciation</b>						
Depreciation Charge	0	17,039	17,039	0	4.1	
Contribution from Revaluation Reserve	0	(17,039)	(17,039)	0		
<b>Net impact of Depreciation on Rev Res</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		
<b>Total Net (Surplus)/Deficit for year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		

## INNERLEITHEN COMMON GOOD FUND

## PROJECTED BALANCE SHEET VALUE AS AT 30 September 2016

	Opening Balance at 01/04/16 £	Projected Movement in Year £	Projected Balances at 31/03/17 £
<b>Fixed Assets</b>			
Land & Buildings	307,139	(17,039)	290,100
<b>Total Fixed Assets</b>	<b>307,139</b>	<b>(17,039)</b>	<b>290,100</b>
<b>Net Assets</b>	<b>307,139</b>	<b>(17,039)</b>	<b>290,100</b>
<b>Funded by:</b>			
<b>Reserves</b>			
Capital Reserve	(135,263)	0	(135,263)
Revaluation Reserve	(171,876)	17,039	(154,837)
<b>Total Reserves</b>	<b>(307,139)</b>	<b>17,039</b>	<b>(290,100)</b>