

SCOTTISH BORDERS COUNCIL JEDBURGH COMMON GOOD SUB-COMMITTEE

MINUTES of Meeting of the JEDBURGH
COMMON GOOD SUB-COMMITTEE held in
the COUNCIL CHAMBER, COUNCIL
HEADQUARTERS, NEWTOWN ST
BOSWELLS on Wednesday, 6th December
2017 at 1.00 p.m.

Present:- Councillor J. Brown (Chairman), S. Hamilton, S. Scott.
Apologies:- Community Councillor Stewart.
In Attendance: Capital and Investments Manager, Solicitor (Karen Scrymgeour),
Democratic Services Officer (F. Henderson).
Members of the Public:- 0

1.0 **MINUTE**

- 1.1 There had been circulated copies of the Minute of the Jedburgh Common Good Fund Sub-Committee held on 2 November 2017.

DECISION

NOTED the Minute.

2.0 **MONITORING REPORT FOR 3 MONTHS 30 SEPTEMBER 2017**

- 2.1 There had been circulated copies of a report by the Chief Financial Officer which provided details of the income and expenditure for the Jedburgh Common Good Fund for the year 2017/18 together with balance sheet values as at 30 September 2017 and full year projected out-turn for 2017/18 and projected balance sheet values as at 31 March 2018. Appendix 1 provided the projected income and expenditure for 2017/18. This showed a projected deficit of £3,366 for the year. Appendix 2 provided projected Balance Sheet value at 31 March 2018 and showed a projected decrease in the reserves of £14,966. Appendix 3 provided a breakdown of the property portfolio showing projected depreciation charges and actual property expenditure to 30 September 2017. Appendix 4 detailed the value of the Newton Fund to 30 September 2017. The Capital and Investments Manager advised that the Newton Fund had once again delivered a negative return (-0.6% against benchmark of +1.1) in the quarter to 30 September 2017. General hedging against risk within the portfolio had contributed to this negative return and negative returns from corporate and government bonds were also seen. Equities within the fund generated positive returns, but underperformed against broader equity markets which were driven by cyclical factors. Importantly, this negative quarterly return had resulted in a 5 year rolling return which was below the 5 year benchmark, which the fund was ultimately measured against (3.6% against benchmark of 4.4%). The fund has delivered below benchmark performance in the last 5 quarters. Scottish Borders Council approved the commencement of a procurement exercise to ensure the funds are managed by the Fund Manager best aligned to the Common Good & Trust Investment Strategy. The outcome of the procurement exercise will be reported to Scottish Borders Council on 21 December 2017 for final approval. The next dividend was due on 31 December 2018 and it was anticipated that the Fund would move after that. There would be a Trustees meeting and workshops for Elected Members in August 2018.

DECISION

(a) NOTED:-

- (i) the projected balance sheet value as at 31 March 2018 in Appendix 2;**
- (ii) the summary of the property portfolio in Appendix 3 to the report;**
- (iii) the current position of the investment in the Newton Fund contained in Appendix 4 to the report; and**

(b) AGREED the projected income and expenditure for 2017/18 in Appendix 1

The meeting closed at 1.15p.m.