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## **MONITORING REPORT FOR 9 MONTHS TO 31 DECEMBER 2018**

**Report by the Chief Financial Officer**

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### **PEEBLES COMMON GOOD FUND SUB-COMMITTEE**

**27 February 2019**

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

- 1.1 This report provides the details of the income and expenditure for the Peebles Common Good Fund for the nine months to 31 December 2018, a full year projected out-turn for 2018/19 and projected balance sheet values as at 31 March 2019.**
- 1.2 Appendix 1 provides the projected income and expenditure position. This shows a projected surplus of £24,636 for the year, which is in line with the approved budget.
- 1.3 Appendix 2 provides a projected balance sheet value as at 31 March 2019. It shows a projected decrease in reserves of £12,805.
- 1.4 Appendix 3 provides a breakdown of the property portfolio showing projected rental income for 2018/19 and actual property expenditure to 31 December 2018.
- 1.5 Appendix 4 shows the value of the Kames Capital Investment Fund to 31 December 2018.

#### **2 RECOMMENDATIONS**

- 2.1 It is recommended that the Peebles Common Good Fund Sub-Committee:**
  - (a) Agrees the projected income and expenditure for 2018/19 in Appendix 1;**
  - (b) Notes the projected balance sheet value as at 31 March 2019 in Appendix 2;**
  - (c) Notes the summary of the property portfolio in Appendix 3; and**
  - (d) Notes the current position of the investment in the Kames Investment Fund in Appendix 4;**

### 3 BACKGROUND

3.1 This report provides the Committee with financial information for the period to 31 December 2018 and projections to 31 March 2019. The report also contains a projected balance sheet for the Common Good Fund as at 31 March 2019.

### 4 FINANCIAL POSITION 2018/19

4.1 Appendix 1 provides details on income and expenditure for the 2018/19 financial year. The projected net position for the year is a surplus of £24,636.

#### 4.2 Income & Expenditure – Property Income

Rental income for 2018/19 is shown in Appendices 1 & 3 with Appendix 3 detailing the projected annual rental income by individual property.

#### 4.3 Income & Expenditure – Non-Property Related Income

The projected outturn position shows an amount of £75 relating to interest receivable on cash held by SBC. Also included are dividends from the Common Good Funds investment in Kames Capital amounting to £21,498 Dividends earned to date amount to £17,478 which is in line with the overall 5% target and the monthly distribution profile projections provided by Kames.

#### 4.4 Income & Expenditure – Property Expenditure

(a) The property expenditure to 31 December 2018 is detailed in Appendix 3 by property.

(b) The approved Budget for 2018/19 is shown in Appendix.

#### 4.5 Income & Expenditure – Grants & Other Donations

The grants and other donations approved and distributed to 31 December 2018 are shown below.

<b>Grant Recipients</b>	<b>Approved</b>	<b>£</b>
<b>Approved and Paid to 31 December 2018</b>		
PA System for Remembrance Day Service	27/09/04	220
Peebles-Hendaye Twinning Association	07/03/18	2,150
Peebles Archaeological Society	09/05/18	1,500
Peebles Community Council – Path Run	09/05/18	2,000
Peebles Youth trust	09/05/18	300
Eastgate Theatre (maximum)	30/07/18	8,600
Remembrance Day	11/11/18	200
<b>Total Paid 31 December 2018</b>		<b>14,970</b>
<b>Approved but not yet paid</b>		
Hire of Burgh Hall	07/09/04	100
Eastgate Theatre	30/07/18	3,000
<b>Total Grants Approved</b>		<b>3,100</b>
<b>Budget 2018/19</b>		<b>27,000</b>
<b>Unallocated/(Overallocated) Budget</b>		<b>8,930</b>

#### 4.6 **Income & Expenditure – Depreciation Charge**

The depreciation charge is projected to be £37,441. This is not a cash transaction and is off-set by a corresponding contribution from the Revaluation reserve.

4.7 Appendix 2 provides the balance sheet value as at 31 March 2018, the projected movement in year and a projected balance as at 31 March 2019.

#### 4.8 **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 2014. Appendix 3 shows the values of the individual properties at 31 March 2018, projected depreciation charges for 2018/19 and projected value at 31 March 2019.

#### 4.9 **Balance Sheet – Investment Fund**

The fund has a 2.30% 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 2.05% for the year.

#### 4.10 **Balance Sheet – Cash Balance**

The cash held by the fund is projected to be £48,366 at 31 March 2019 and is detailed below:

<b>Cash Balance</b>	<b>£</b>
<b>Opening Balance at 1 April 2018</b>	<b>47,730</b>
Projected surplus/(deficit) for year from Income & Expenditure Statement	24,636
Investment in Kames	(24,000)
<b>Projected Closing Balance as at 31 March 2019</b>	<b>48,366</b>

#### 4.11 **Balance Sheet – Capital Reserve**

The projections for the Capital Reserves include the unrealised gain for the Kames Fund as at 31 March 2018 but due to the nature of the markets no estimate has been made for the current years' 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 Kames 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 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 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 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, Service Director 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)

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### Background Papers:

**Previous Minute Reference:** Peebles Common Good Committee 28 November 2018

**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 Pension & Investment Team, Council Headquarters, Newtown St Boswells, Melrose, TD6 0SA. Tel: 01835 824000 Fax: 01835 825166  
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**PEEBLES COMMON GOOD FUND  
PROJECTED INCOME AND EXPENDITURE 2018/19**

	<b>Actuals at 31/12/18</b>	<b>Full Year Approved Budget 2018/19</b>	<b>Full Year Projected Out-turn 2018/19</b>	<b>Full Year Projected Over/(Under) Spend</b>	<b>Para Ref</b>	<b>Commentary</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>		
<b>Property Income</b>						
Rentals Receivable	(13,300)	(49,690)	(49,690)	0	4.2	
<b>Non-Property Related Income</b>						
Interest on Cash deposited with Council	0	(75)	(75)	0	4.3	
Investment Funds – Dividends Rec'd	(17,478)	(21,498)	(21,498)	0	4.3	
Other Income	0	0	0	0		
<b>Total Income</b>	<b>(30,778)</b>	<b>(71,263)</b>	<b>(71,263)</b>	<b>0</b>		
<b>Property Expenditure</b>						
Property Costs – General	1,558	5,000	5,000	0	4.4	
Haylodge Toilets – Cleaning etc	7,115	6,800	6,800	0		
<b>Total Property Expenditure</b>	<b>8,673</b>	<b>11,800</b>	<b>11,800</b>	<b>0</b>		
<b>Grants &amp; Other Donations</b>	<b>14,970</b>	<b>27,000</b>	<b>27,000</b>	<b>0</b>	4.5	
<b>Central Support Service Charge</b>	<b>0</b>	<b>7,827</b>	<b>7,827</b>	<b>0</b>		
<b>Depreciation</b>						
Depreciation Charge	0			0		
Contribution from Revaluation Reserve	0	37,441	37,441	0	4.6	
<b>Net impact of Depreciation on Revenue Reserve</b>	<b>0</b>	<b>(37,441)</b>	<b>(37,441)</b>	<b>0</b>		
<b>Total Net (Surplus)/Deficit for year</b>	<b>(7,135)</b>	<b>(24,636)</b>	<b>(24,636)</b>	<b>0</b>		

## PEEBLES COMMON GOOD FUND

## PROJECTED BALANCE SHEET VALUE AT 31 March 2019

	Opening Balance at 01/04/18 £	Projected Movemen t in Year £	Projected Balances at 31/03/19 £
<b>Fixed Assets</b>			
Land & Buildings	801,485	(37,441)	764,044
Feu Duties	1,619	0	1,619
<b>Total Fixed Assets</b>	<b>803,104</b>	<b>(37,441)</b>	<b>765,663</b>
<b>Capital in Investment Funds</b>			
Investment Fund Book Value	419,388	24,000	443,388
Unrealised Gains/(Loss)	(1,356)	0	(1,356)
<b>Market Value</b>	<b>418,032</b>	<b>24,000</b>	<b>442,032</b>
<b>Current Assets</b>			
Debtors	4,813		4,813
Cash deposited with SBC	47,730	636	48,366
	<b>52,543</b>	<b>636</b>	<b>53,179</b>
<b>Current Liabilities</b>		0	
Creditors	(100)	0	(100)
Receipts in Advance	(7,391)		(7,391)
<b>Total Current Liabilities</b>	<b>(7,491)</b>	<b>0</b>	<b>(7,491)</b>
<b>Net Assets</b>	<b>1,266,188</b>	<b>(12,805)</b>	<b>1,253,383</b>
<b>Funded by: Reserves</b>			
Revenue Reserve	(42,440)	(24,636)	(67,076)
Capital Reserve	(470,439)	0	(470,439)
Revaluation Reserve	(753,309)	37,441	(715,868)
<b>Total Reserves</b>	<b>(1,266,188)</b>	<b>12,805</b>	<b>(1,253,383)</b>

## PEEBLES COMMON GOOD FUND

**PROPERTY PORTFOLIO PERFORMANCE FOR 2018/19**  
**(Actual Income and Expenditure at 31 December 2018)**

Fixed Assets	Net Book Value at	Depn Charge	Net Book Value at	Rental Income	Actual Property Expenditure at 31/12/18				
	31/03/18	2018/19	31/03/19	2018/19	Repairs	Rates, Water & Power	Ins	Other	Total
	£	£	£	£	£	£	£	£	£
Greenside Car Park	0	0	0	0	0	0	0	0	0
Kings Meadows Car Park	0	0	0	0	0	0	0	0	0
George Meikle Kemp Monument	0	0	0	0	0	0	0	0	0
Victoria Park	0	0	0	0	0	0	0	0	0
Victoria Park Tennis Courts	21,000	0	21,000	0	0	0	0	0	0
Peebles Disused Railway	0	0	0	0	0	0	0	0	0
Peebles Golf Course	155,000	0	155,000	15,290	0	0	0	0	0
Jedderfield Farm	132,800	1,800	131,000	2,100	0	0	0	0	0
Neidpath Grazings	20,000	0	20,000	0	0	0	0	0	0
Haylodge Park	0	0	0	250	829	0	0	0	829
Haylodge Depot	52,800	5,550	47,250	9500	513	125	0	0	638
Old Corn Exchange Hall (Front)	25,680	3,580	22,100	0	0	0	0	0	0
Walkershaugh Store	33,900	4,025	29,875	6,500	0	0	0	0	0
Tweed Green	0	0	0	0	0	0	0	0	0
Cuddy Green (Part 1)	0	0	0	0	120	0	0	0	120
Venlaw Wood	16,000	0	16,000	0	0	0	0	0	0
Tweed Fishings	0	0	0	0	0	0	0	0	0
Peebles Town Clock	0	0	0	0	0	0	0	0	0
Old Corn Exchange Shop	91,200	14,700	76,500	12,000	0	0	(99)	0	(99)
Garage 1 Tweed Green	1,800	800	1,000	200	0	0	0	0	0
Venlaw Quarry	0	0	0	0	0	0	0	0	0
Venlaw Amenity Ground	0	0	0	0	0	0	0	0	0
Old Town Wall Monument	0	0	0	0	0	0	0	0	0
Haylodge Park Play Area	0	0	0	0	0	0	0	0	0

Fixed Assets	Net Book Value at 31/03/18	Projected Depn Charge 2018/19	Projected Net Book Value at 31/03/19	Projected Rental Income 2018/19	Actual Property Expenditure at 31/12/18				
					Repairs	Rates, Water & Power	Ins	Other	Total
					£	£	£	£	£
Walkershaugh ACF Site	7,500	0	7,500	500	0	0	0	0	0
Walkershaugh Bowling Green	500	0	500	0	0	0	0	0	0
Former Railway	0	0	0	0	0	0	0	0	0
Ninians Haugh Park	0	0	0	0	0	0	0	0	0
Ninians Haugh Play Area	0	0	0	0	0	0	0	0	0
Old Town Green	0	0	0	0	0	0	0	0	0
Garage 2 Tweed Green	1,250	500	750	175	0	0	(5)	0	(5)
Garage 3 Tweed Green	1,000	500	500	175	0	0	(5)	0	(5)
Land at March Street	0	0	0	0	0	0	0	0	0
Gas Governor Site	750	0	750	0	0	0	0	0	0
Fotheringham Bridge	0	0	0	0	0	0	0	0	0
Land at Haylodge Cottage Site	11,500	0	11,500	0	0	0	0	0	0
Garages Sites at Kirkland Street	6,750	0	6,750	0	0	0	0	0	0
Land at Kingsmeadows Toilets	2,000	0	2,000	0	0	0	0	0	0
Haylodge Toilets	24,375	1,906	22,469	0	470	0	0	6,645	7,115
Land at Gytes Leisure Centre	0	0	0	0	0	0	0	0	0
Old Corn Exchange Shop (Rear)	28,680	4,080	24,600	3,000	0	0	0	0	0
Kingsland School Site	70,000	0	70,000	0	0	0	0	0	0
Haylodge Pavilion Site	1,250	0	1,250	0	0	0	0	0	0
Elliots Park Grazings	95,000	0	95,000	0	0	0	0	0	0
Kingsland Primary School Sub Stn	750	0	750	0	0	0	0	0	0
Connor Ridge Monitoring Site	0	0	0	0	0	0	0	0	0
Tweed Green Car Park Site	0	0	0	0	0	0	0	0	0
Victoria Park Construction Store	0	0	0	0	0	0	0	0	0
Walkershaugh Railway Embank	0	0	0	0	0	0	0	0	0
Biggiesknowe Garage	0	0	0	0	0	0	(40)	0	(40)
Property Expenditure (General)	-	-	-	0	120	0	0	0	120
<b>Total</b>	<b>801,485</b>	<b>37,441</b>	<b>764,044</b>	<b>49,690</b>	<b>2,052</b>	<b>125</b>	<b>(149)</b>	<b>6,645</b>	<b>8,673</b>



**Moveable Assets**

Leather Chairs (14)

Chairs (5)

China Cabinet

Antique Mirror

Square Coal Scuttle

Oak Mantle Clock (1930)

Antique Fire Irons & Grate

Log Effect Electric Fire

Oval Oak Table

Light Pendants (5)

Single Pendant

4 Single Brass Gas Wall Fittings

## PEEBLES COMMON GOOD FUND

## INVESTMENTS EXTERNALLY MANAGED

<b>Cost of Investment</b>	<b>Units</b>	<b>£</b>
Initial Investment - 13 December 2013	187,196	350,000
Further 2014-15 Investment	10,341	20,082
Further 2016-17 Investment	27,165	52,000
Newton Fund Disinvestment (February 2018)	(224,702)	(422,082)
Kames Capital Investment ( February 2018)	387,354	419,388
Kames Capital Investment ( August 2018)	22,187	24,000
<b>Total Invested to 31 D2018</b>	<b>409,541</b>	<b>443,388</b>

<b>Value of Investment</b>	<b>£</b>
31 March 2018	418,032
30 June 2018	415,553
30 September 2018	441,035
31 December 2018	416,749
<b>Increase/(Decrease) from Total Cash Invested</b>	<b>(26,639)</b>