
Monitoring Report for 12 Months to 31 March 2019

Report by the Chief Financial Officer

DUNS COMMON GOOD FUND SUB-COMMITTEE

5 SEPTEMBER 2019

1 PURPOSE AND SUMMARY

- 1.1 This report provides the details of the income and expenditure for the Duns Common Good Fund for the year 2018/19 including balance sheet values at 31 March 2019 and proposed budget for 2019/20.**
- 1.2 Appendix 1 provides the actual income and expenditure for 2018/19. This shows a surplus of £753 in 2018/19 and a projected surplus of £765 for 2019/20.
- 1.3 Appendix 2 provides a balance sheet value as at 31 March 2019. It shows a decrease in the reserves of £925.
- 1.4 Appendix 3 shows the value of the Kames Capital Investment Fund to 31 March 2019.

2 RECOMMENDATIONS

- 2.1 It is recommended that the Duns Common Good Sub-Committee:**
 - (a) Notes the actual income and expenditure for 2018/19 in Appendix 1;**
 - (b) Agrees the proposed budget for 2019/20**
 - (c) Notes the final balance sheet value to 31 March 2019 in Appendix 2; and**
 - (d) Notes the summary of the Kames Capital Investment portfolio in Appendix 3.**

3 BACKGROUND

3.1 This report provides the Committee with financial information for the period to 31 March 2019 and proposed budgets for 2019/20. The report also contains a projected balance sheet for the Common Good Fund as at 31 March 2020.

4 FINANCIAL POSITION 2017/18

4.1 Appendix 1 provides detail on income and expenditure for the 2018/19 financial year and the proposed budget for 2019/20.

4.2 **Income & Expenditure – Non-Property Related Income**

The final outturn shows an amount of £5 relating to interest receivable on cash held by SBC. Also included are dividends from the Common Good Fund investment in Kames Capital investment Fund amounting to £930, which is in line with the overall 5% target and the monthly distribution profile projections provided by Kames.

4.3 **Income & Expenditure – Property Expenditure**

During 2018/19 there was no property expenditure.

4.4 **Income & Expenditure – Running costs**

Appendix 2 provides the balance sheet value as at 31 March 2019 and a projected balance as at 31 March 2020.

4.5 **Balance Sheet – Newton Investment**

The fund has a 3.86% unrealised gain 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 +9.41% since investment in February 2019.

4.6 **Balance Sheet – Cash Balance**

The cash held by the fund is £1,154 at 31 March 2019 and detailed below are the movements in year:

Cash Balance	£
Opening Balance at 1 April 2018	492
Realised Loss on Investment	
Surplus/(Deficit) for year from Income & Expenditure Statement	753
Net Cash Movement in Debtors & Creditors	(73)
Kames Fund Rebate	(18)
Closing Balance at 31 March 2019	1,154

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 Capital 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, the Chief Officer HR and the Clerk to the Council are being consulted and any comments will be tabled at the meeting.

Approved by

David Robertson
Chief Financial Officer

Signature

Author(s)

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Background Papers:

Previous Minute Reference: Duns Common Good Committee 6 September 2018.

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DUNS COMMON GOOD FUND

INCOME AND EXPENDITURE 2018/19

	Actuals at 31/03/19 £	Full Year Budget 2018/19 £	Over/ (Under) Spend 2018/19 £	Proposed Budget 2019/20 £	Para Ref	Commentary
Non-Property Related Income						
Interest on Cash deposited with Council	(5)	(0)	(5)	(5)	5.2	
Investment Fund – Dividends rec'd	(930)	(840)	(90)	(960)		
Kames Fund Rebate	(18)	0	(18)	0		
Total Income	(953)	(840)	(113)	(965)		
Property Expenditure						
Property Costs – General	0		0	0	5.3	
Total Property Expenditure	0	0	0	0		
Grants & Other Donations	0	0	0	0		
Running Costs						
Central Support Service Charge	200	200	0	200		
Net Running Costs	200	200	0	200		
Total Net (Surplus)/Deficit for year	(753)	(640)	(113)	(765)		

DUNS COMMON GOOD FUND

PROJECTED BALANCE SHEET VALUE AT 31 March 2019

	Opening Balance at 01/04/18 £	Movement in Year 2018/19 £	Closing Balance at 31/03/19 £	Projected Balances at 31/03/20 £
Capital Investments				
Investment Fund Book				
Costs	17,031	18	17,049	17,049
Gains/Loss	(54)	172	118	118
Market Value	16,977	190	17,167	17,167
Current Assets				
Debtors	0	73	73	73
Cash deposited with SBC	492	662	1,154	1,919
	492	735	1,227	1,992
Current Liabilities				
Creditors	0	0	0	0
Net Assets	17,469	925	18,394	19,159
Funded by: Reserves				
Revenue Reserve	(17,469)	(807)	(18,276)	(19,041)
Capital Reserve	0	(118)	(118)	(118)
Revaluation Reserve	0	0	0	0
Total Reserves	(17,469)	(925)	(18,394)	(19,159)

DUNS COMMON GOOD FUND

INVESTMENTS EXTERNALLY MANAGED

Cost of Investment	Units	£
Kames Capital Investment (February 2018)	15,731	17,031
Kames Fund Rebate	16	18
Total Invested to 31 March 2019	15,749	17,049

Value of Investment	£
February 2018	17,031
March 2018	16,977
March 2019	17,167
Increase/(Decrease) from Total Cash Invested	118