
MONITORING REPORT FOR 3 MONTHS TO 30 JUNE 2019

Report by the Chief Financial Officer

JEDBURGH COMMON GOOD SUB-COMMITTEE

16 SEPTEMBER 2019

1 PURPOSE AND SUMMARY

- 1.1 This report provides the details of the income and expenditure for the Jedburgh Common Good Fund for the three months to 30 June 2019 and full year projected out-turn for 2019/20 and projected balance sheet values as at 31 March 2020.**
- 1.2 Appendix 1 provides a projected income and expenditure position. This shows a projected surplus of £29,829 for the year.
- 1.3 Appendix 2 provides a projected balance sheet as at 31 March 2020. It shows a projected increase in the reserves of £18,229.
- 1.4 Appendix 3 provides a breakdown of the property portfolio showing projected rental income for 2019/20 and actual property expenditure to 30 June 2019.
- 1.5 Appendix 4 shows the value of the Kames Capital Investment Fund to 30 June 2019.

2 RECOMMENDATIONS

- 2.1 It is recommended that the Common Good Fund Sub-Committee:**
 - (a) Agrees the projected income and expenditure for 2019/20 in Appendix 1 as the revised budget for 2019/20;**
 - (b) Notes the projected balance sheet value as at 31 March 2020 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 Capital Investment Fund in Appendix 4.**

3 BACKGROUND

3.1 This report provides the Committee with financial information for the period to 30 June 2019 and projections to 31 March 2020. The report also contains a projected balance sheet for the Common Good Fund as at 31 March 2020.

4 FINANCIAL POSITION 2019/20

4.1 Appendix 1 provides details on income and expenditure for the 2019/20 financial year. The projected net position for the year is a surplus of £29,829.

4.2 Income & Expenditure – Property Income

There is no Rental Income from the properties owned by the Jedburgh Common Good Fund.

4.3 Income & Expenditure – Non-Property Related Income

(a) The projected outturn position shows an amount of £150 relating to interest receivable on cash held by SBC. Also included are dividends from the Common Good Funds investment in Kames Capital Investment Fund amounting to £50,303, which is in line with the overall 5% target and the monthly distribution profile projections provided by Kames.

(b) Included within other income for the quarter is a rebate from Kames Capital (£228), which has been re-invested to purchase an additional 209 units.

4.4 Income & Expenditure – Property Expenditure

There are no Property Expenses on the Jedburgh Common Good properties.

4.5 Income & Expenditure – Grants & Other Donations

The grants and other donations distributed to 30 June 2019 are shown below.

Grant Recipients	Approved	£
Approved and Paid to 30 June 2019		
Community Council – Xmas lights	05/06/2019	1,300
Total Paid 31 March 2020		1,300
Approved not yet paid		
Jedburgh Rotary Club	15/08/2019	500
Budget 2019/20		18,500
(Unallocated)/Overallocated Budget		(16,700)

4.6 **Income & Expenditure – Depreciation Charge**

The projected depreciation charge for the year is £11,600. This is not a cash transaction and is off-set by a corresponding contribution from the Revaluation reserve at the end of the financial year.

4.7 Appendix 2 provides the balance sheet value as at 31 March 2019, the projected movement in year and a projected balance sheet as at 31 March 2020.

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 2019, projected depreciation charges for 2019/20 and projected value at 31 March 2020.

4.9 **Balance Sheet – Investment Fund**

The fund has a 5.17% 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 +12.61% since investment in February 2018.

4.10 **Balance Sheet – Long Term Debtors**

Long Term Debtors are projected to reduce by £7,593 as detailed in Para 4.11 leaving a projected year-end balance of £14,000.

4.11 **Balance Sheet – Cash Balance**

The cash held by the fund is projected to be £100,558 and is detailed below. This includes a projected repayment of Principal on the Jedburgh Common Good Loans of £7,593.

Cash Balance	£	£
Opening Balance at 1 April 2019		64,036
Repayment of Principal (Long Term Debtors)		
Jedburgh Bowling Club Loan	6,000	
Jedburgh Golf Club Loan	760	
Jedburgh Community Trust Loan	833	7,593
Projected Surplus (Deficit) for year from Income & Expenditure Statement		29,829
Net cash Movement in Debtors/Creditors		0
Kames Fund Rebate		(900)
Closing Balance as at 31 March 2020		100,558

4.12 Balance Sheet – Capital Reserve

The projections for the Capital Reserves include the unrealised gain for the Kames Capital Investment Fund as at 31 March 2019 but due to the nature of the markets no estimate has been made for the current years' movement.

4.13 Contingent Asset – Jedburgh Golf Club

The final accounts will also include a Contingent Asset of £15,000 for the remaining balance of the secured grant given to Jedburgh Golf Club in January 2005 for the purchase of two additional fields. This position will be reviewed on an annual basis to assess the likelihood of the Golf Club disposing of the fields.

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, the Chief Officer HR, Communications and the Clerk to the Council are being consulted and their appropriate comments will be incorporated into this report.

Approved by

David Robertson
Chief Financial Officer

Signature

Author(s)

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Background Papers:

Previous Minute Reference: Jedburgh Common Good Committee 5 June 2019 and 15 August 2019.

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 Pensions & Investments, Council Headquarters, Newtown St Boswells, Melrose, TD6 0SA.

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JEDBURGH COMMON GOOD FUND

INCOME AND EXPENDITURE 2019/20

	Actuals at 30/06/19	Full Year Approved Budget 2019/20	Full Year Projected Out-turn 2019/20	Full Year Projected Over/(Under) Spend 2019/20	Para Ref	Commentary
	£	£	£	£		
Property Income						
Rentals Receivable	0	0	0	0	4.2	
Non-Property Related Income						
Interest Receivable from Loans to – Jedburgh Bowling Club		(612)	(612)	0		
Jedburgh Golf Club		(224)	(224)	0		
Interest on Cash deposited with Council		(150)	(150)	0	4.3	
Kames Fund Investment – Dividends Rec'd	(8,784)	(50,303)	(50,303)	0	4.3	
Other Income	(228)	0	(900)	(900)		
Total Income	(9,012)	(51,289)	(52,189)	(900)		
Property Expenditure						
Property Costs – General	0	0	0	0	4.4	
Total Property Expenditure	0	0	0	0		
Grants & Other Donations	1,300	18,500	18,500	0	4.5	
Central Support Service Charge	0	3,860	3,860	0		
Depreciation						
Depreciation Charge	0	11,600	11,600	0	4.6	
Contribution from Revaluation Reserve	0	(11,600)	(11,600)			
Net impact of Depreciation on Rev Res	0	0	0	0		
Total Net (Surplus)/Deficit for year	(7,712)	(28,929)	(29,829)	(900)		

JEDBURGH COMMON GOOD FUND

PROJECTED BALANCE SHEET VALUE AS AT 31 March 2020

	Opening Balance at 01/04/19	Movement in Year	Projected Balances at 31/03/20
	£	£	£
Fixed Assets			
Land & Buildings	442,000	(11,600)	430,400
Feu Duties	0	0	0
Total Fixed Assets	442,000	(11,600)	430,400
Capital in Kames Investment Fund			
Investment in Kames Fund	903,915	900	904,815
Unrealised Gains/(Loss)	6,264	0	6,264
Market Value	910,179	900	911,079
Long Term Debtors			
Loan to Jedburgh Bowling Club	20,000	(6,000)	14,000
Loan to Jedburgh Golf Club	760	(760)	0
Loan to Jedburgh Comm Trust	833	(833)	0
	21,593	(7,593)	14,000
Current Assets			
Debtors	3,972	0	3,972
Cash deposited with SBC	64,036	36,522	100,558
	68,008	36,522	104,530
Current Liabilities			
Creditors	0	0	0
Receipts in Advance	(319)	0	(319)
	(319)	0	(319)
Net Assets	1,441,461	18,229	1,459,690
Funded by: Reserves			
Revenue Reserve	(78,023)	(29,829)	(107,852)
Capital Reserve	(924,111)	0	(924,111)
Revaluation Reserve	(439,327)	11,600	(427,727)
Total Reserves	(1,441,461)	(18,229)	(1,459,690)

JEDBURGH COMMON GOOD FUND

PROPERTY PORTFOLIO PERFORMANCE FOR 2019/20
(Actual Income and Expenditure to 30 June 2019)

Fixed Assets – Land & Buildings	Net Book Value at 31/03/19 £	Projected Depn Charge 2019/20 £	Projected Net Book Value at 31/03/20 £	Projected Rental Income 2019/20 £	Actual Property Expenditure at 30/06/19				
					Repairs £	Rates, Water & Power £	Ins £	Other £	Total £
Jedburgh Castle Jail	0	0	0	0	0	0	0	0	0
Mary Queen of Scots House	442,000	11,600	430,400	0	0	0	0	0	0
Murray's Green Park	0	0	0	0	0	0	0	0	0
Dounehill (Dunshill)	0	0	0	0	0	0	0	0	0
Ramparts	0	0	0	0	0	0	0	0	0
Market Cross	0	0	0	0	0	0	0	0	0
Property Expenditure (General)	0	0	0	0	0	0	0	0	0
Total	442,000	11,600	430,400	0	0	0	0	0	0

Fixed Assets –
Moveable Assets

Portrait Sir D Brewster
Bust Sir D Brewster
Gold Chains
Relics – Queen Mary House
Lady Provost Brooch
George Tinline Plates (2)
Gold Chain & Robes
Small Bust Sir John Tinline
Framed copy of Burgh Charter
Casket containing Burgess Ticket

Total

JEDBURGH COMMON GOOD FUND

INVESTMENTS EXTERNALLY MANAGED

Cost of Investment	Units	£
Kames Capital Investment (February 2018)	834,019	902,994
Kames Fund Rebate - (2018-2019)	853	921
Kames Fund Rebate - (2019-2020)	209	228
Total Invested to 30 June 2018	835,081	904,143

Value of Investment	£
31 March 2018	900,074
30 June 2018	894,736
30 September 2018	898,156
31 December 2018	848,699
31 March 2019	910,178
30 June 2019	925,603
Increase/(Decrease) from Total Cash Invested	21,461