

SCOTTISH BORDERS COUNCIL
SELKIRK COMMON GOOD FUND SUB COMMITTEE

MINUTE of MEETING of the SELKIRK COMMON GOOD FUND SUB COMMITTEE held in the Council Chamber, Council Headquarters, Newtown St Boswells on Wednesday, 29 October 2014 at 3.00 p.m.

Present: Councillors G. Edgar (Chairman), M. Ballantyne (para 2), V. Davidson.
Community Councillor T. Combe.

In attendance: Legal and Licensing Services Manager (A. Isles), Solicitor (J. Webster), Property Manager (S. Mawson), Estates Surveyor (J. Morison), Cultural Services Manager (I. Brown), Corporate Finance Manager (Lynn Mirley), Democratic Services Officer (F. Walling).

ORDER OF BUSINESS

1. The Chairman varied the order of business as shown on the agenda and the Minute reflects the order in which the items were considered at the meeting.

MINUTE

2. There had been circulated copies of the Minute of 2 September 2014.

DECISION

APPROVED the minute for signature by the Chairman.

MEMBER

Councillor Ballantyne joined the meeting.

3. With reference to paragraph 7 of the Minute of 2 September 2014 the Property Manager accepted that the timescales that had been involved in getting quotes and implementing property repairs on Common Good property had been in excess of that considered reasonable. He explained that workload pressure resulted in the Council's extremely small property team having a reactive work plan linked to priorities on repairs for Council-owned properties across the Borders. However he agreed to review the process and in particular explore ways by which the time taken to obtain quotes on repairs could be shortened. He emphasised that any contractors used to carry out the work had to be from the list approved by the Council.

DECISION

NOTED

CULTURE TRUST UPDATE

4. With reference to paragraph 7 of the Minute of 11 June 2014, and reports to Council on 27 February 2014 and 26 June 2014, Cultural Services Manager, Ian Brown, was in attendance to give an update on the Cultural Services Review. Mr Brown handed out a briefing paper and gave a summary of the proposals and their relevance to buildings in Selkirk owned by the Common Good Fund. He explained that, as part of the proposed move to a Culture Trust, the management of Sir Walter Scott's Courtroom and the Victoria Hall, would transfer from Scottish Borders Council to the Culture Trust. There would be no change in ownership. The Council staff currently managing/ working in these properties would transfer to the Trust and the transfer agreement would make arrangements for these services to continue. The Project Board and the Member/Officer Working Group overseeing the transfer project had been advised of no direct financial impact on the Common Good Fund in connection with these proposals. The Local Authority currently met the capital and revenue costs of these Common Good assets and this would continue through the transfer agreement. However as the buildings were owned by the

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Common Good there may be a question as to the alienability of these. The legal position was that the Council would need to seek consent from the Sheriff to grant a lease over these properties to the Culture Trust. Mr Brown added that a full report on the proposed Culture Trust, outlining the further work required, would be presented to Council later this year. Legal and Licensing Services Manager, Mrs Isles, confirmed that the authority to raise the action and grant the lease would lie with full Council rather than with the Common Good Fund Sub Committee.

5. Members of the Sub Committee discussed the proposals and received answers to their questions from the officers. With regard to future maintenance and responsibility for any future deterioration of the Common Good properties in question, Mrs Isles advised that these matters would ultimately depend on the agreement between the Council and the Culture Trust and the terms would be set out in the lease. It was recognised that there would need to be a clear definition within the agreement as to where future responsibility for different areas of maintenance lay. The duty of the Trust would be to ensure the same standard of management for all properties whether from the general fund or the Common Good. With regard to future running costs Mr Brown pointed out that the ability to break-even would be around services rather than buildings. He confirmed that the Trust would be accepting buildings in the condition they were in. With regard to moveable assets the ownership of these would not be passed on but it was noted that they would need to be recorded in an inventory. In respect of the heritage collection there should be an agreement as to how these should be managed in terms of whether they should be in storage or on display. The Chairman thanked the officers for their attendance.

DECISION

NOTED the update.

FARM PROPERTY SURVEY AND WORKS SCHEDULE

6. With reference to paragraph 7 of the Minute of 2 September 2014, there had been circulated copies of detailed Condition Survey Reports and photographs following surveys carried out at Smedheugh, Linglie and South Common Farms. The Estates Surveyor, Mr Morison, began by showing the photographs from Smedheugh Farm on the screen and highlighted the main areas of work required. He confirmed that the properties should be checked annually with tenants to agree maintenance requirements and who was responsible for these. He also advised that farm tenancy leases had changed and that since 2003 responsibility for day-to day maintenance fell to the tenant. There followed a lengthy discussion regarding work required at Smedheugh, with reference to the condition the farm was in when the current tenancy commenced and the current responsibility of the Common Good as landlord in respect of the repairs needed. After further consideration of the work required that was highlighted on the surveys, and the limited budget available, Members asked the Property Manager to provide a revised prioritised list of repairs, with associated costs, across the three properties. Mr Mawson agreed to pull together a list of urgent items from the Year 1 repairs included in the five-year Building Maintenance costings provided with each of the property surveys. The Chairman asked for a special meeting to be arranged to consider the list. Members also asked for clarification with regard to the responsibilities between landlord and tenant, according to current legislation and as this relates to each of the three farms.

DECISION

AGREED that a prioritised list of repairs, with associated costs, for the three farms be provided by the Property Manager for consideration at a special meeting to be arranged.

FINANCIAL MONITORING REPORT

7. There had been circulated copies of a report by the Chief Financial Officer setting out the details of transactions for the 6 months to 30 September 2014, the projections of the annual outturn with variances from the proposed budget and the projected effect on Revenue and Capital Reserves at 31 March 2014. The Corporate Finance Manager, Lynn Mirley, was in attendance to present the report and answer Members' questions. Appendix 1 to the report brought together the key financial data on the Revenue Performance and Balance sheet situation for 2014/15. Appendices 2 – 5 provided details on the Revenue budget in an extended format, grants paid and payable, Revenue and Capital Reserves and the performance of the Property Portfolio. The report explained that dividend income was now being received from the investment in the Newton Fund.

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In 2013/14 and in the first quarter of 2014/15 the Newton fund had performed ahead of its target. The Common Good Fund was projecting total expenditure of £137,658 and income of £70,605 supplemented by a draw down of £62,556 from the Revaluation Reserve, resulting in an outturn net expenditure of £4,497 which was fully funded from the surplus of £24,617 in 2013/14. Mrs Mirley answered questions in relation to the income from investment in the Newton Fund. She also agreed to check the Central Support Services recharge amount included in the report. The Chairman asked for the Sub Committee's best wishes and thanks to be passed to Senior Financial Analyst, Andrew Mitchell, on his imminent retirement from the Council.

DECISION

- (a) **NOTED the key figures, grants analysis, projected balances on Revenue and Capital Reserves and the performance of the Property Portfolio, as shown in appendices to the report; and**
- (b) **AGREED the financial performance and budget proposed for 2014/15 as shown in Appendix 2 to the report.**

GENERAL PROPERTY UPDATE

- 8. Estates Surveyor, James Morison, referred to information he had previously circulated giving a general property update. He advised that Scottish Water were still to decide whether to proceed with a lease of land at South Common for a new water tank to replace the Howden water tank. A claim was being prepared by Mr Morison for the loss of Common Good timber along the Ettrick, where trees of various sizes and quality had been removed in preparation for the Selkirk Flood Scheme. Mr Morison concluded his update by confirming that rent to the Common Good Fund was still being paid by Spie (formally Electricity Network Solutions) for the use of part of Smedheugh Farm for caravans.

DECISION

NOTED the update.

PRIVATE BUSINESS

DECISION

AGREED under Section 50A(4) of the Local Government (Scotland) Act 1973 to exclude the public from the meeting during consideration of the business detailed in the Appendix to this Minute on the grounds that it involved the likely disclosure of exempt information as defined in Paragraph 6 of Part I of Schedule 7A to the Act.

SUMMARY OF PRIVATE BUSINESS

Minute

- 1. Members approved the private section of the Minute of 2 September 2014.

The meeting concluded at 5.05 p.m.