

---

## **MONITORING REPORT FOR 3 MONTHS TO 30 JUNE 2021**

**Report by Executive Director, Finance & Regulatory**

---

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

**13 SEPTEMBER 2021**

---

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

- 1.1 This report provides the details of the income and expenditure for the Jedburgh Common Good Fund for three months to 30 June 2021, a full year projected out-turn for 2021/22, and projected balance sheet values as at 31 March 2022.**
- 1.2 Appendix 1 provides the projected income and expenditure position for 2021/22. This shows a projected surplus of £27,284 for the year.
- 1.3 Appendix 2 provides a projected balance sheet value as at 31 March 2022. It shows a projected increase in reserves of £15,551.
- 1.4 Appendix 3a provides a breakdown of the property portfolio showing projected rental income and projected net return for 2021/22 and actual property income to 30 June 2021.
- 1.5 Appendix 3b provides a breakdown of the property portfolio showing projected property expenditure for 2021/22 and actual property expenditure to 30 June 2021.
- 1.6 Appendix 4 provides a breakdown of the property portfolio showing projected property valuations at 31 March 2022.
- 1.7 Appendix 5 shows the value of the Aegon Asset Management Investment Fund to 30 June 2021.

#### **2 RECOMMENDATIONS**

- 2.1 It is recommended that the Common Good Fund Sub-Committee:**
  - (a) Notes the projected income and expenditure for 2021/22 in Appendix 1;**
  - (b) Notes the projected balance sheet value as at 31 March 2022 in Appendix 2;**
  - (c) Notes the summary of the property portfolio in Appendices 3 and 4; and**
  - (d) Notes the current position of the Aegon Asset Management Investment Fund in Appendix 5.**

### 3 BACKGROUND

3.1 This report provides the Committee with financial information for the period to 30 June 2021 and projections to 31 March 2022. The report also contains a projected balance sheet for the Common Good Fund as at 31 March 2022.

### 4 FINANCIAL POSITION 2021/22

4.1 Appendix 1 provides details on income and expenditure for the 2021/22 financial year. The projected net position for the year is a surplus of £27,284.

#### 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 £340 relating to interest receivable on cash held by SBC. Also included are dividends from the Common Good Funds investment in Aegon Asset Management amounting to £37,610 which is currently estimated at 4.5% return. As a result of the market value dropping due to the impact of the COVID-19, this projected 4.5% return is less than the 5% target and the monthly distribution profile projections provided by Aegon. The position will be monitored closely with Aegon Asset Management.
- (b) Rebate income from Aegon Asset Management received in March 2021 of £235 was accounted for in 2020/21 however the corresponding 214 units have been purchased in April 2021.

#### 4.4 Income & Expenditure – Property Expenditure

- (a) There are no Property Expenses on the Jedburgh Common Good properties.
- (b) Appendices 3a and 3b show a full breakdown of the projections for property rental and repairs for 2021/22.

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

The grants and other donations approved and distributed to 31 March 2022 are shown below:

<b>Grant Recipients</b>	<b>Approved</b>	<b>£</b>
<b>Approved and Paid to 30 June 2021</b>		0
<b>Total Paid 31 March 2022</b>		<b>0</b>
<b>2021/22 Budget</b>		<b>7,900</b>
<b>(Unallocated)/Overallocated Budget</b>		<b>7,900</b>

#### 4.6 Income & Expenditure – Depreciation Charge

The projected depreciation charge for the year is £11,733. 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 actual balance sheet value as at 31 March 2021, and a projected balance sheet as at 31 March 2022.

#### 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 2019. Appendix 4 shows the values of the individual properties at 1 April 2021, actual depreciation charges for 2021/22 and projected values at 31 March 2022.

#### 4.9 Balance Sheet – Investment Fund

The fund has a 1.10% 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 18.71% since investment in February 2018.

#### 4.10 Balance Sheet – Long Term Debtors

Long Term Debtors is projected to reduce by £4,000 as detailed in Paragraph 4.11 leaving a projected year-end balance of £10,000.

#### 4.11 Balance Sheet – Cash Balance

The cash held by the fund is projected to be £100,279 at 31 March 2022 and is detailed below:

<b>Cash Balance</b>	<b>£</b>
<b>Opening Balance at 1 April 2021</b>	<b>69,856</b>
<b><i>Repayment of Principal (Long Term Debtors)</i></b>	
Jedburgh Bowling Club Loan – Projected	4,000
Projected surplus for year from Income & Expenditure Statement	27,284
Net cash Movement in Debtors/Creditors	0
Rebate Investment in Aegon	(861)
<b>Projected Closing Balance as at 31 March 2022</b>	<b>100,279</b>

#### 4.12 Balance Sheet – Capital Reserve

The movements in the Capital Reserves include the unrealised gain for the Aegon Asset Management Fund as at 31 March 2021 but due to the nature of the markets no estimate has been made for the future 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 Aegon Asset Management 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 Integrated Impact Assessment**

There is no impact or relevance to Equality Duty or the Fairer Scotland Duty for this report. This is a routine financial monitoring report which forms part of the governance of the management of the Common Good Funds. Nevertheless, a light touch assessment has been conducted and this will be published on SBC's Equality and Diversity Pages of the website as in doing so, signifies that equality, diversity and socio-economic factors have duly been considered when preparing this report.

#### **5.4 Sustainable Development Goals**

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 Climate Change**

There are no effects on climate change 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 Data Protection Impact Statement

There are no personal data implications arising from the proposals contained in this report.

## 5.8 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 Chief Legal Officer (including as Monitoring Officer), the Chief Officer Audit and Risk, the Service Director HR, Communications and the Clerk to the Council have been consulted and their appropriate comments have been incorporated into this report.

### Approved by

**David Robertson**

**Executive Director, Finance & Regulatory**

**Signature .....**

### Author(s)

Kirsty Robb	Pensions and Investments Manager - Tel: 01835 825249
Sara Halliday	Treasury Business Partner - Tel:01835 824000 Extn 5854

### Background Papers:

**Previous Minute Reference:** Jedburgh Common Good Committee 7 June 2021.

**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. Tel: 01835 824000 Fax: 01835 825166  
Email: [t&cteam@scotborders.gov.uk](mailto:t&cteam@scotborders.gov.uk)

**JEDBURGH COMMON GOOD FUND  
PROJECTED INCOME AND EXPENDITURE 2021/2022**

**APPENDIX 1**

	<b>Actuals at 30/06/21</b>	<b>Full Year Approved Budget 2021/22</b>	<b>Full Year Projected Out-turn 2021/22</b>	<b>Full Year Projected Over/ (Under) Spend 2021/22</b>	<b>Para Ref</b>	<b>Commentary</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>		
<b>Property Income</b>						
Rental Income	0	0	0		4.2	
<b>Non-Property Related Income</b>						
Interest on Loan-Jedburgh Bowling Club	0	(332)	(332)		4.3	
Interest on Cash deposited with Council	0	(340)	(340)		4.3	
Investment Funds – Dividends Rec'd	(4,356)	(37,610)	(37,610)		4.3	
Other Income	0	(950)	(950)		4.3	
<b>Total Income</b>	<b>(4,356)</b>	<b>(39,232)</b>	<b>(39,232)</b>			
<b>Property Expenditure</b>						
Property Costs – General	0	0	0		4.4	
<b>Total Property Expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>			
<b>Grants &amp; Other Donations</b>	<b>0</b>	<b>7,900</b>	<b>7,900</b>		4.5	
<b>Central Support Service Charge</b>	<b>0</b>	<b>4,048</b>	<b>4,048</b>			
<b>Depreciation</b>						
Depreciation Charge	0	11,733	11,733		4.6	
Contribution from Revaluation Reserve	0	(11,733)	(11,733)		4.6	
<b>Net impact of Depreciation on Revenue Reserve</b>	<b>0</b>	<b>0</b>	<b>0</b>			
<b>Total Net (Surplus)/Deficit for year</b>	<b>(4,356)</b>	<b>(27,284)</b>	<b>(27,284)</b>			

## PROJECTED BALANCE SHEET VALUE AT 31 MARCH 2022

	Opening Balance at 01/04/21	Projected Movement in Year	Projected Closing Balance at 31/03/22
	£	£	£
<b>Fixed Assets</b>			
Land & Buildings	528,534	(11,733)	516,801
Feu Duties	0	0	0
<b>Total Fixed Assets</b>	<b>528,534</b>	<b>(11,733)</b>	<b>516,801</b>
<b>Capital in Investment Funds</b>			
Investment Fund Book Value	944,406	861	945,267
Unrealised Gains/(Loss)	8,473	0	8,473
<b>Market Value</b>	<b>952,879</b>	<b>861</b>	<b>953,740</b>
<b>Long Term Debtors</b>			
Loan to Jedburgh Bowling Club	14,000	(4,000)	10,000
	<b>14,000</b>	<b>(4,000)</b>	<b>10,000</b>
<b>Current Assets</b>			
Debtors	3,424	0	3,424
Cash deposited with SBC	69,856	30,423	100,279
<b>Total Current Assets</b>	<b>73,280</b>	<b>30,423</b>	<b>103,703</b>
<b>Current Liabilities</b>			
Creditors	0	0	0
Receipts in Advance	0	0	0
<b>Total Current Liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Assets</b>	<b>1,568,693</b>	<b>15,551</b>	<b>1,584,244</b>
<b>Funded by:</b>			
<b>Reserves</b>			
Revenue Reserve	(116,512)	(27,284)	(143,796)
Capital Reserve	(926,320)	0	(926,320)
Revaluation Reserve	(525,861)	11,733	(514,128)
<b>Total Reserves</b>	<b>(1,568,693)</b>	<b>(15,551)</b>	<b>(1,584,244)</b>

**PROPERTY PORTFOLIO PERFORMANCE FOR 2021/22  
(Actual income to 30 June 2021 and projections to 31 March 2022)**

Rental Income – Land & Buildings	2021/22			
	Approv'd Budget	Project'd	Actual	Project'd Net Return
	£	£	£	£
Jedburgh Castle Jail	0	0	<b>0</b>	0
Mary Queen of Scots House	0	0	<b>0</b>	0
Murray's Green Park	0	0	<b>0</b>	0
Dounehill (Dunshill)	0	0	<b>0</b>	0
Ramparts	0	0	<b>0</b>	0
Market Cross	0	0	<b>0</b>	0
Property Expenditure (General)	0	0	<b>0</b>	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



**PROPERTY PORTFOLIO PERFORMANCE FOR 2021/22**  
**(Actual expenditure to 30 June 2021)**

Property Expenditure – Land & Buildings	2021/22				
	Approv'd Budget	Project'd	Actual (Repair & Maint)	Actual (Other)	Actual Total
	£	£	£	£	£
Jedburgh Castle Jail	0	0	0	0	<b>0</b>
Mary Queen of Scots House	0	0	0	0	<b>0</b>
Murray's Green Park	0	0	0	0	<b>0</b>
Dounehill (Dunshill)	0	0	0	0	<b>0</b>
Ramparts	0	0	0	0	<b>0</b>
Market Cross	0	0	0	0	<b>0</b>
Property Expenditure (General)	0	0	0	0	<b>0</b>
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**PROPERTY PORTFOLIO VALUATION FOR 2021/22  
(Projected property valuation to 31 March 2022)**

<b>Fixed Assets – Land &amp; Buildings</b>	<b>Net Book Value at 01/04/21</b>	<b>Projected Depn Charge 2021/22</b>	<b>Projected Net Book Value at 31/03/22</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Jedburgh Castle Jail	<b>0</b>	0	<b>0</b>
Mary Queen of Scots House	<b>528,534</b>	11,733	<b>516,801</b>
Murray’s Green Park	<b>0</b>	0	<b>0</b>
Dounehill (Dunshill)	<b>0</b>	0	<b>0</b>
Ramparts	<b>0</b>	0	<b>0</b>
Market Cross	<b>0</b>	0	<b>0</b>
<b>Total</b>	<b>528,534</b>	<b>11,733</b>	<b>516,801</b>

<b>Fixed Assets – Moveable Assets</b>
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
<b>Total</b>

**INVESTMENTS EXTERNALLY MANAGED**

<b>Cost of Investment</b>	<b>Units</b>	<b>£</b>
Aegon Asset Management Investment (February 2018)	834,019	902,994
Aegon Fund Rebate - (2018-2019)	853	921
Aegon Fund Rebate - (2019-2020)	693	771
Aegon Investment - November 2020	36,819	38,859
Aegon Fund Rebate - (2020-2021)	855	861
Aegon Fund Rebate - (2021-2022)	214	235
<b>Total Invested to 30 June 2021</b>	<b>873,453</b>	<b>944,641</b>

<b>Value of Investment</b>	<b>£</b>
31 March 2018	900,074
31 March 2019	910,178
31 March 2020	767,550
31 March 2021	952,879
30 June 2021	956,082
<b>Increase/(Decrease) from Total Cash Invested</b>	<b>11,442</b>

<b>Return on Investment from inception</b>	<b>Capital Return %</b>	<b>Total Return %</b>
to 31 March 2018	-0.30	
to 31 March 2019	+3.86	+9.41
to 31 March 2020	-15.16	-5.98
to 30 June 2020	-8.52	+2.76
to 30 September 2020	-7.91	+4.83
to 31 December 2020	-0.61	+14.09
to 31 March 2021	+0.78	+16.84
to 30 June 2021	+1.10	+18.71