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## **MONITORING REPORT FOR 6 MONTHS TO 30 SEPTEMBER 2021**

**Report by Director – Finance & Corporate Governance**

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

**17 November 2021**

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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 six months to 30 September 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 £4,779 for the year, which is less than the surplus figure reported at the 18 August 2021 meeting, due to the approval of repair works at Venlaw Quarry.
- 1.3 Appendix 2 provides a projected balance sheet value as at 31 March 2022. It shows a projected decrease in reserves of £66,781.
- 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 September 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 September 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 September 2021.

#### **2 RECOMMENDATIONS**

- 2.1 It is recommended that the Common Good Fund Sub-Committee:**
  - (a) Agrees the projected income and expenditure for 2021/22 in Appendix 1 as the revised budget for 2021/22;**
  - (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;**
  - (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 September 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 £4,779.

#### **4.2 Income & Expenditure – Property Income**

- (a) Rental income for 2021/22 is shown in Appendices 1 & 3a, with Appendix 3a detailing the projected annual rental income by individual property. Actual income is reported on a cash basis until the year end with quarter 4 reports incorporating any annual adjustments for prepayments and accruals.
- (b) Projected rental income has increased by £801 for Victoria Park Funfair.

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

- (a) The projected outturn position shows an amount of £300 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 £19,290 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) Included within other income is a rebate from Aegon Asset Management of £128 which, along with the £126 received in March 2021, has been re-invested to purchase an additional 231 units.

#### **4.4 Income & Expenditure – Property Expenditure**

- (a) The property expenditure for 2021/22 is shown in Appendices 1 & 3b, with Appendix 3b detailing the projected property expenditure by individual property. Actual expenditure is reported on a cash basis until the year end with quarter 4 reports incorporating any annual adjustments for prepayments and accruals.
- (b) Appendices 3a and 3b show a full breakdown of the projections for property rental and repairs for 2021/22.
- (c) The projected expenditure has increased by £14,050, following Committee approval for fencing works and tree removal to be carried out at Venlaw Quarry.

#### 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 September 2021</b>		
Peebles Cricket Club	26/05/21	2,600
Tweeddale Youth Action	18/08/21	7,840
<b>Total Paid to 31 March 2022</b>		<b>10,440</b>
<b>Approved but not yet paid</b>	Annual	
Remembrance Day	07/09/04	212
Hire of Burgh Hall		100
<b>Total Grants Approved</b>		<b>312</b>
<b>Approved Budget 2021/22</b>		<b>27,000</b>
<b><i>(Unallocated)/Overallocated Budget</i></b>		<b><i>(16,248)</i></b>

#### 4.6 Income & Expenditure – Depreciation Charge

The projected depreciation charge for the year is £71,560. 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, the projected movement in year 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 actual values of the individual properties at 1 April 2021, projected depreciation charges for 2021/22 and projected values at 31 March 2022.

#### 4.9 Balance Sheet – Investment Fund

The fund has a 0.36% unrealised gain in market value since investment, largely due to continued volatility in investment markets. Overall, taking account of the income received the fund has achieved a return of 19.52% since investment in February 2018.

#### 4.10 Balance Sheet – Cash Balance

The cash held by the fund is projected to be £75,207 at 31 March 2022 and is detailed below:

<b>Cash Balance</b>	<b>£</b>
<b>Opening Balance at 1 April 2021</b>	<b>60,865</b>
Projected surplus for year from Income & Expenditure Statement	4,779
Net cash movement in Debtors/Creditors	0
Loan to East Gate Theatre – Full repayment	10,000
Rebate Investment in Aegon	(437)
<b>Projected Closing Balance as at 31 March 2022</b>	<b>75,207</b>

#### 4.11 Balance Sheet – Capital Reserve

The projections for 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.

### 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 Intergrated 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, Director (People performance & Change), the Clerk to the Council and Communications have been consulted and their appropriate comments have been incorporated into this report.

### Approved by

**David Robertson**

**Director, Finance & Corporate Governance**

**Signature .....**

### Author(s)

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### Background Papers:

**Previous Minute Reference:** Peebles Common Good Committee 18 August 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 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 2021/2022**

**APPENDIX 1**

	<b>Actuals at 30/09/21</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	(47,468)	(52,175)	(52,976)	(801)	4.2	
<b>Non-Property Related Income</b>						
Interest on Cash deposited with Council		(300)	(300)		4.3	Loan fully repaid
Interest on East Gate Theatre Loan	(44)	(44)	(44)		4.3	
Investment Funds – Dividends Rec'd	(10,611)	(19,290)	(19,290)		4.3	
Other Income	(128)	(500)	(500)		4.3	
<b>Total Income</b>	<b>(58,251)</b>	<b>(72,309)</b>	<b>(73,110)</b>	<b>(801)</b>		
<b>Property Expenditure</b>						
Property Costs – General	7,564	10,715	24,765	14,050	4.4	
Haylodge Toilets – Cleaning etc	6,000	7,800	7,800			
<b>Total Property Expenditure</b>	<b>13,564</b>	<b>18,515</b>	<b>32,565</b>	<b>14,050</b>		
<b>Grants &amp; Other Donations</b>	<b>10,440</b>	<b>27,000</b>	<b>27,000</b>		4.5	
<b>Central Support Service Charge</b>	<b>8,766</b>	<b>8,766</b>	<b>8,766</b>			
<b>Depreciation</b>						
Depreciation Charge	0	71,560	71,560		4.6	
Contribution from Revaluation Reserve	0	(71,560)	(71,560)		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>(25,481)</b>	<b>(18,028)</b>	<b>(4,779)</b>	<b>13,249</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	778,580	(71,560)	707,020
Feu Duties	1,619	0	1,619
<b>Total Fixed Assets</b>	<b>780,199</b>	<b>(71,560)</b>	<b>708,639</b>
<b>Capital in Investment Fund</b>			
Investment Fund Book Value	504,669	437	505,106
Unrealised Gains/(Loss)	3,615	0	3,615
<b>Market Value</b>	<b>508,284</b>	<b>437</b>	<b>508,721</b>
<b>Current Assets</b>			
Loan to Eastgate Theatre	10,000	(10,000)	0
Debtors	4,695	0	4,695
Cash deposited with SBC	60,865	14,342	75,207
<b>Total Current Assets</b>	<b>75,560</b>	<b>4,342</b>	<b>79,902</b>
<b>Current Liabilities</b>			
Creditors	(50)	0	(50)
Receipts in Advance	(5,828)	0	(5,828)
<b>Total Current Liabilities</b>	<b>(5,878)</b>	<b>0</b>	<b>(5,878)</b>
<b>Net Assets</b>	<b>1,358,165</b>	<b>(66,781)</b>	<b>1,291,384</b>
<b>Funded by:</b>			
<b>Reserves</b>			
Revenue Reserve	(152,351)	(4,779)	(157,130)
Capital Reserve	(475,410)	0	(475,410)
Revaluation Reserve	(730,404)	71,560	(658,844)
<b>Total Reserves</b>	<b>(1,358,165)</b>	<b>66,781</b>	<b>(1,291,384)</b>

## PROPERTY PORTFOLIO PERFORMANCE FOR 2021/22

(Actual income to 30 September 2021 and projections to 31 March 2022)

Rental Income – Land & Buildings	2020/21			
	Approved Budget 2021/22	Projected Budget 2021/22	Actuals as at 30/09/21	Projected Net (Return)/ Loss
	£	£	£	£
25. Greenside Car Park	0	0	0	0
22. Kings Meadows Car Park	0	0	(20)	0
9. George Meikle Kemp Monument	0	0	0	0
11. Victoria Park	0	(801)	0	(801)
10. Victoria Park Tennis Courts	0	0	0	0
Peebles Disused Railway	0	0	0	0
6. Peebles Golf Course	(15,290)	(15,290)	(15,290)	(15,290)
1. Jedderfield Farm	0	0	0	1,000
1. Jedderfield Farm Grazing	(905)	(905)	(987)	(905)
2. Neidpath Grazings	0	0	0	0
8. Haylodge Park	(250)	(250)	(355)	2,215
17. Haylodge Depot	(9,500)	(9,500)	(8,260)	(9,500)
26. Old Corn Exchange Hall	(450)	(450)	(675)	(450)
34. Walkershaugh Store	(6,500)	(6,500)	(4,875)	(5,850)
28. Tweed Green	0	0	0	0
24. Cuddy Green (Part 1)	0	0	0	0
29. Venlaw Wood	0	0	0	0
20. Tweed Fishings	0	0	0	0
27. Peebles Town Clock	0	0	0	0
26. Old Corn Exchange Shop (Front)	(10,830)	(10,830)	(13,000)	(10,830)
28. Garage 1 Tweed Green	(300)	(300)	(300)	(300)
12. Venlaw Quarry	0	0	0	16,050
30. Venlaw Amenity Ground	0	0	0	0
Old Town Wall Monument	0	0	0	0
3. Haylodge Park Play Area	0	0	0	0
37. Walkershaugh ACF Site	(500)	(500)	(375)	(500)
36. Walkershaugh Bowling Green	0	0	0	0
40. Former Railway	0	0	0	0
35. Ninians Haugh Park	0	0	0	0
35. Ninians Haugh Play Area	0	0	0	0
19. Old Town Green	0	0	0	0
28. Garage 2 Tweed Green	(175)	(175)	(263)	(175)
28. Garage 3 Tweed Green	(175)	(175)	(263)	(175)
23. Land at March Street	0	0	0	0
38. Gas Governor Site	0	0	0	0
4. Fotheringham Bridge	0	0	0	0
16. Land at Haylodge Cottage Site	0	0	0	0
15. Garages Sites at Kirkland Street No 1-8	(800)	(800)	(805)	(800)
21. Land at Kingsmeadows Toilets	0	0	0	0
13. Haylodge Toilets	0	0	0	11,800
39. Land at Gytes Leisure Centre	0	0	0	0
26. Old Corn Exchange Shop (Rear)	(3,000)	(3,000)	(2,000)	(3,000)
7. Kingsland School Site	(3,500)	(3,500)	0	(3,500)
18. Haylodge Pavilion Site	0	0	0	0
5. Elliots Park Grazings	0	0	0	0
7. Kingsland Primary School Sub Stn	0	0	0	0
14. Connor Ridge Monitoring Site	0	0	0	0
General Property Expenditure	0	0	0	600
<b>Total</b>	<b>(52,175)</b>	<b>(52,976)</b>	<b>(47,468)</b>	<b>(20,411)</b>



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

Property Expenditure – Land & Buildings	2021/22				
	Approv'd Budget	Proposed Budget	Actual (Repair & Maint)	Actual (Other)	Actual Total
	£		£	£	£
25. Greenside Car Park	0	0	0	0	0
22. Kings Meadows Car Park	0	0	0	0	0
9. George Meikle Kemp Monument	0	0	0	0	0
11. Victoria Park	0	0	0	0	0
10. Victoria Park Tennis Courts	0	0	508	(220)	288
Peebles Disused Railway	0	0	0	0	0
6. Peebles Golf Course	0	0	0	0	0
1. Jedderfield Farm	1,000	1,000	505	0	505
1. Jedderfield Farm Grazing	0	0	0	0	0
2. Neidpath Grazings	0	0	0	0	0
8. Haylodge Park	2,465	2,465	0	0	0
17. Haylodge Depot	0	0	120	0	120
26. Old Corn Exchange Hall	0	0	0	(207)	(207)
34. Walkershaugh Store	650	650	342	0	342
28. Tweed Green	0	0	0	0	0
24. Cuddy Green (Part 1)	0	0	0	0	0
29. Venlaw Wood	0	0	0	0	0
20. Tweed Fishings	0	0	0	0	0
27. Peebles Town Clock	0	0	0	0	0
26. Old Corn Exchange Shop –(Front)	0	0	0	(44)	(44)
28. Garage 1 Tweed Green	0	0	0	(13)	(13)
12. Venlaw Quarry	2,000	16,050	2,752	0	2,752
30. Venlaw Amenity Ground	0	0	0	0	0
Old Town Wall Monument	0	0	0	0	0
3. Haylodge Park Play Area	0	0	0	0	0
37. Walkershaugh ACF Site	0	0	0	0	0
36. Walkershaugh Bowling Green	0	0	0	0	0
40. Former Railway	0	0	0	0	0
35. Ninians Haugh Park	0	0	0	0	0
35. Ninians Haugh Play Area	0	0	0	0	0
19. Old Town Green	0	0	0	0	0
28. Garage 2 Tweed Green	0	0	0	(9)	(9)
28. Garage 3 Tweed Green	0	0	0	0	0
23. Land at March Street	0	0	0	0	0
38. Gas Governor Site	0	0	0	0	0
4. Fotheringham Bridge	0	0	0	0	0
16. Land at Haylodge Cottage Site	0	0	0	0	0
15. Garages Sites at Kirkland Street No 1-8	0	0	0	0	0
21. Land at Kingsmeadows Toilets	0	0	0	0	0
13. Haylodge Toilets	11,800	11,800	3,906	6,027	9,933
39. Land at Gytes Leisure Centre	0	0	0	0	0
26. Old Corn Exchange Shop (Rear)	0	0	0	0	0
7. Kingsland School Site	0	0	0	(103)	(103)
18. Haylodge Pavilion Site	0	0	0	0	0
5. Elliots Park Grazings	0	0	0	0	0
7. Kingsland Primary School Sub Stn	0	0	0	0	0
14. Connor Ridge Monitoring Site	0	0	0	0	0
General Property Expenditure	600	600	0	0	0
<b>Total</b>	<b>18,515</b>	<b>32,565</b>	<b>8,133</b>	<b>5,431</b>	<b>13,564</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>Project'd Depn Charge 2021/22</b>	<b>Projected Net Book Value at 31/03/22</b>
	<b>£</b>	<b>£</b>	<b>£</b>
25. Greenside Car Park	0	0	0
22. Kings Meadows Car Park	0	0	0
9. George Meikle Kemp Monument	0	0	0
11. Victoria Park	0	0	0
10. Victoria Park Tennis Courts	28,600	0	28,600
Peebles Disused Railway	0	0	0
6. Peebles Golf Course	158,000	0	158,000
1. Jedderfield Farm	146,800	4,100	142,700
1. Jedderfield Farm Grazing	0	0	0
2. Neidpath Grazings	20,000	0	20,000
8. Haylodge Park	0	0	0
17. Haylodge Depot	57,520	12,240	45,280
26. Old Corn Exchange Hall	28,200	7,900	20,300
34. Walkershaugh Store	33,280	9,360	23,920
28. Tweed Green	0	0	0
24. Cuddy Green (Part 1)	0	0	0
29. Venlaw Wood	16,000	0	16,000
20. Tweed Fishings	0	0	0
27. Peebles Town Clock	0	0	0
26. Old Corn Exchange Shop –(Front)	69,450	22,150	47,300
28. Garage 1 Tweed Green	3,200	900	2,300
12. Venlaw Quarry	0	0	0
30. Venlaw Amenity Ground	0	0	0
Old Town Wall Monument	0	0	0
3. Haylodge Park Play Area	0	0	0
37. Walkershaugh ACF Site	10,000	0	10,000
36. Walkershaugh Bowling Green	500	0	500
40. Former Railway	0	0	0
35. Ninians Haugh Park	0	0	0
35. Ninians Haugh Play Area	0	0	0
19. Old Town Green	0	0	0
28. Garage 2 Tweed Green	1,920	540	1,380
28. Garage 3 Tweed Green	1,920	540	1,380
23. Land at March Street	0	0	0
38. Gas Governor Site	750	0	750
4. Fotheringham Bridge	0	0	0
16. Land at Haylodge Cottage Site	20,000	0	20,000
15. Garages Sites at Kirkland Street	6,750	0	6,750
No 1-8	0	0	0
21. Land at Kingsmeadows Toilets	2,600	0	2,600
13. Haylodge Toilets	15,540	4,730	10,810
39. Land at Gytes Leisure Centre	0	0	0
26. Old Corn Exchange Shop (Rear)	31,800	9,100	22,700
7. Kingsland School Site	70,000	0	70,000
18. Haylodge Pavilion Site	5,000	0	5,000
5. Elliots Park Grazings	50,000	0	50,000
7. Kingsland Primary School Sub Stn	750	0	750
14. Connor Ridge Monitoring Site	0	0	0
<b>Total</b>	<b>778,580</b>	<b>71,560</b>	<b>707,020</b>

**Fixed Assets – 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

**INVESTMENTS EXTERNALLY MANAGED**

<b>Cost of Investment</b>	<b>Units</b>	<b>£</b>
Aegon Asset Management Investment (February 2018)	387,354	419,388
Aegon Asset Management Investment (August 2018)	22,187	24,000
Aegon Fund Rebate – (2018-2019)	422	452
Aegon Asset Management Investment – (May 19)	18,254	20,000
Aegon Fund Rebate – (2019-2020)	350	392
Aegon Asset Management Investment – (January 2021)	36,802	40,000
Aegon Fund Rebate – (2020-2021)	434	437
Aegon Fund Rebate – (2021-2022)	231	254
<b>Total Invested to 30 September 2021</b>	<b>466,034</b>	<b>504,923</b>

<b>Value of Investment</b>	<b>£</b>
31 March 2018	418,032
31 March 2019	446,938
31 March 2020	393,681
31 March 2021	508,284
30 June 2021	509,993
30 September 2021	506,392
<b>Increase/(Decrease) from Total Cash Invested</b>	<b>1,469</b>

<b>Return on Investment from inception</b>	<b>Capital Return %</b>	<b>Total Return %</b>
to 31 March 2018	-0.03	
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
to 30 September 2021	+0.36	+19.52