

SCOTTISH BORDERS COUNCIL

JEDBURGH COMMON GOOD FUND SUB-COMMITTEE

MINUTES of Meeting of the JEDBURGH
COMMON GOOD SUB-COMMITTEE held
via Microsoft Teams on Wednesday, 17
November 2021 at 4.30 pm

Present: - Councillors S. Hamilton, S. Scott, Community Councillor J. Taylor

Apologies:- Councillor J. Brown.

In Attendance:- Director - Finance and Corporate Governance, Chief Legal Officer,
Democratic Services Officer (F. Henderson).

Members of the Public:- 1

1.0 **MINUTE**

The Minute was not available to be circulated and would be considered at the next meeting.

DECISION NOTED.

2.0 **MONITORING REPORT FOR 6 MONTHS 30 SEPTEMBER 2021**

2.1 There had been circulated copies of a report by the Director - Finance and Corporate Governance which provided the income and expenditure for the Jedburgh Common Good Fund for six months to 30 September 2021, a full year projected out-turn 2021/22 and projected balance sheet values as at 31 March 2022. Appendix 1 provided the projected income and expenditure for 2020/21 which showed a projected surplus of £5,184 for the year. Appendix 2 provided projected Balance Sheet value at 31 March 2022 and showed a projected decrease in the reserves of £6,549. Appendix 3(a) provided 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. Appendix 3(b) provided a breakdown of the property portfolio showing projected property expenditure for 2021/22 and actual property expenditure to 30 September 2021. Appendix 4 provided a breakdown of the property portfolio showing projected property valuations at 31 March 2022. Appendix 5 showed the value of the Aegon Asset Management Investment Fund to 30 September 2021. Mr Robertson highlighted the main points in the report and answered Members questions.

DECISION

- (a) **AGREED the projected income and expenditure for 2021/22 in Appendix I as the revised budget for 2021/22.**
- (b) **NOTED the:-**
 - (i) **projected balance sheet value as at 31 March in Appendix 2 to the report;**
 - (ii) **summary of the property portfolio in Appendices 3 and 4 to the report;**

(iii) current position of the investment in the Aegon Asset Management Investment Fund contained in Appendix 5 to the report.

3.0 APPLICATION FOR FINANCIAL ASSISTANCE

3.1 JEDBURGH THISTLE RFC

With reference to paragraph 3 of the Minute of 13 September 2021, There had been circulated copies of an application, together with copies of the Financial Statement, OSCR Financial Statement, cost plan report for the project, proposed layout of the storeroom extension and further information relating to the Sub-Committees request for further information. As previously advised the project 'Helping Young People Get Fit For The Future' aimed to improve the quality of life by helping to fund an extension to the current Club premises.

3.2 The Sub-Committee were advised that following the Sub-Committees request for further information, the Jed Thistle Committee had considered the proposal of splitting the financial assistance between a loan and a grant and had requested in writing that £50K be paid as a grant and £15K payable as a loan over 15 years. The Club proposed to repay £1K per annum plus interest as they considered this was achievable without creating any financial issues for the club. The Club had also requested, that should the club experience any cash flow issues, there would be the possibility to have a (short-term) payment holiday for an agreed period and proposed that this be between one to two years. In terms of amending the constitution, the Club had consulted with Heather Batsch on the best way to amend the constitution to ensure that the Common Good was the main beneficiary of any winding up of the club's activities. At present Constitution stated that "Any surplus assets available to the organisation immediately preceding its winding up or dissolution must be used for purposes which are the same as - or which closely resemble - the purposes of the organisation as set out in this constitution." If the club decided to close down (not bankrupt) a donation would be made to another youth rugby organisation before agreeing to close, and then on applying for a winding up order, the only asset would be the property which could then go to the Jedburgh CGF (any donations would obviously be after any outstanding amount on the loan was refunded to the CGF from any cash surplus). These steps would require to be agreed with the Office of the Scottish Charity Regulator (OSCR), as the Charities and Trustee Investment (Scotland) Act 2005 prohibits taking certain steps (eg change of name, an alteration to the purposes, amalgamation, winding-up) without the consent of OSCR.

3.3 Mr Norman Ker, Treasurer was present via Microsoft Teams and explained that the full cost of the project was £102,500 plus VAT and a grant of £65,000 was being sought from the Common Good to provide match funding in order to apply to other sources of Funding, with any surplus being paid back to the Common Good. Funding had been secured from the National Lottery - £9,900; £3,200 from ClubSportRoxburgh and £1,000 from all Arnold Clark Foundation. The preparatory work and planning application had been paid from club funds and Mr Kerr detailed other sources of funding which had been applied for totalling £172,000 including Build Back a Better Borders (£15,000 maximum award if successful). Mr Kerr went on to explain that Sub Groups had been formed for each element of the project i.e. Building, Roofing, Plumbing etc. and the deadline for receipt of quotes was 20 November 2021. In response to a question from Councillor Scott in respect of the viability of the Club and the number of teams, Mr Kerr advised that there were two teams, one for under 18 years and one for under 16 years, although could not always raise two teams. The Chief Legal Officer requested an adjournment to seek clarification of Councillors Scott possible involvement with the Club following a comment made by Councillor Scott.

The Meeting Adjourned at 5.00 p.m. and reconvened at 5.05 p.m.

For the avoidance of doubt, Councillor Scott stated that he had no involvement in the Club. Mr Robertson referred to the Clubs turnover and profit which totalled £5,000 before paying back a loan. Mr Robertson further advised that careful consideration was required before paying out such a grant or loan as there were many community groups within the Common Good catchment who were entitled to apply for a share of the pot and this request exceeded the annual budget significantly. Mr Robertson was clear that the Common Good should operate within its means and avoid depleting its assets. Mr Taylor advised that had the Common Good not given the Bowling Club a loan they would not have been able to afford the new club rooms and had made a commitment over the past 9 years to raise funds to make the re-payment. Councillor Scott reminded those present that £50,000 had been given to the Golf Club and £30,000 had been given to the Leisure Centre and Rugby Club. Mr Robertson again reminded the Sub-Committee that the annual income of the Club was £12,000 and questioned how the club would meet the repayments and what the potential impact on the club would be. The grant being requested was five times the clubs annual income and a small grant and /or loan may be more appropriate. The Chief Legal Officer sought clarification as to what was being proposed as a standard security would allow the property to be sold if required, as the Common Good would not want to become the owner of the property. The Chairman sought clarification about the length of payment holiday which was being sought and Mr Kerr advised between 1-3 years.

There was lengthy discussion regarding the amounts being paid in terms of a re-payable loan and a one-off grant. Mr Robertson suggested that possible working parameters would be £30,000 paid as grant and £30,000 as an interest free loan repayable over 15 years. It was agreed that the meeting be continued to allow Mr Kerr to consult with the Jed Thistle Committee.

DECISION

AGREED:-

- (a) that consideration of the application be continued to a future meeting.**
- (b) that a special meeting be arranged early in 2022.**

URGENT BUSINESS

Under Section 50B(4)(b) of the Local Government (Scotland) Act 1973, the Chairman was of the opinion that the item dealt with in the following paragraph should be considered at the meeting as a matter of urgency, in view of the need to make an early decision.

4.0 HERITABLE AND MOVEABLE ASSETS

There had been a request received from Hannah MacLeod, Principal Solicitor that a special meeting of the Common Good be arranged as soon as possible after 30 November 2021 to request approval to undertake a public consultation on the Heritable and Moveable Assets for all Common Good Funds.

DECISION

AGREED that a Special Meeting of Jedburgh Common Good be held on Wednesday, 8 December 2021 at 1 p.m.

The meeting closed at 5.30 p.m.