
MONITORING REPORT FOR 6 MONTHS TO 30 SEPTEMBER 2022

Report by Acting Chief Financial Officer

PEEBLES COMMON GOOD FUND SUB-COMMITTEE

23 November 2022

1 PURPOSE AND SUMMARY

- 1.1 This report provides the details of the income and expenditure for the Peebles Common Good Fund for the six months to 30 September 2022, a full year projected out-turn for 2022/23, and projected balance sheet values as at 31 March 2023.**
- 1.2 Appendix 1 provides the projected income and expenditure position for 2022/23. This shows a projected deficit of £10,037 for the year, which is higher than the previously reported deficit on 24 August 2022, as a result of an increase in the property repairs budget.
- 1.3 Appendix 2 provides a projected balance sheet value as at 31 March 2023. It shows a projected decrease in reserves of £311,776.
- 1.4 Appendix 3a provides a breakdown of the property portfolio showing projected rental income and projected net return for 2022/23 and actual property income to 30 September 2022.
- 1.5 Appendix 3b provides a breakdown of the property portfolio showing projected property expenditure for 2022/23 and actual property expenditure to 30 September 2022.
- 1.6 Appendix 4 provides a breakdown of the property portfolio showing projected property valuations at 31 March 2023.
- 1.7 Appendix 5 shows the value of the Aegon Asset Management Investment Fund to 30 September 2022.

2 RECOMMENDATIONS

- 2.1 It is recommended that the Common Good Fund Sub-Committee:**
 - (a) Agrees the projected income and expenditure for 2022/23 in Appendix 1 as the revised budget for 2022/23;**
 - (b) Notes the projected balance sheet value as at 31 March 2023 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 September 2022 and projections to 31 March 2023. The report also contains a projected balance sheet for the Common Good Fund as at 31 March 2023.

4 FINANCIAL POSITION 2022/23

4.1 Appendix 1 provides details on income and expenditure for the 2022/23 financial year. The projected net position for the year is a deficit of £10,037.

4.2 Income & Expenditure – Property Income

(a) Rental income for 2022/23 is shown in Appendices 1 & 3a, with Appendix 3a detailing the actual 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.

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 £23,313 with the projection for 2022/23 returning to 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 £118 which, along with the £126 received in March 2022, has been re-invested to purchase an additional 240 units.

4.4 Income & Expenditure – Property Expenditure

(a) The property expenditure for 2022/23 is shown in Appendices 1 & 3b, with Appendix 3b detailing the actual 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) The projected property expenditure for 2022/23 has been increased by £1,280 to cover agreed frost protection costs to Haylodge Park Toilets.

(c) Appendices 3a and 3b show a full breakdown of the projections for property rental and repairs for 2022/23. These will be revised as further information is received.

4.5 Income & Expenditure – Grants & Other Donations

The grants and other donations approved and distributed to 31 March 2023 are shown below:

Grant Recipients	Approved	£
Approved and Paid to 30 September 2022		
Peebles Xmas Light Association	16/03/22	1,885
Tweeddale Citizen of the Year	Annual	262
ClubSport Tweeddale	12/07/22	5,782
Total Paid to 31 March 2023		7,929
Approved but not yet paid		
Peebles Stroke Club	24/08/22	600
Total Grants Approved not paid		600
Approved Budget 2022/23		20,000
<i>(Unallocated)/Overallocated Budget</i>		<i>(11,471)</i>

4.6 Income & Expenditure – Central Support Service Charge

The proposed charge for 2022/23 is currently estimated using a 2% uplift on the 2021/22 charge, however this is subject to change pending confirmation of the agreed pay award for 2022/23. A full Service Charge Review will be carried out in 2023/24.

4.7 Income & Expenditure – Depreciation Charge

The projected depreciation charge for the year is £301,939. 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.

4.8 Appendix 2 provides the actual balance sheet value as at 1 April 2022, the projected movement in year and a projected balance sheet as at 31 March 2023.

4.9 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, with interim review. A full revaluation was carried out at 1 April 2019, with an interim review at 31 March 2022. Appendix 4 shows the actual values of the individual properties at 1 April 2022, projected depreciation charges for 2022/23 and projected values at 31 March 2023; any amendments required following completion of the 2021/22 annual audit will be incorporated into the 9 month monitoring report.

4.10 Balance Sheet – Investment Fund

The fund has a 16.12% unrealised loss 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 5.84% since investment in February 2018.

4.11 Balance Sheet – Cash Balance

The cash held by the fund is projected to be £67,967 at 31 March 2023 and is detailed below:

Cash Balance	£
Opening Balance at 1 April 2022	78,514
Projected deficit for year from Income & Expenditure Statement	(10,037)
Net cash movement in Debtors/Creditors	0
Rebate Investment in Aegon	(510)
Projected Closing Balance as at 31 March 2023	67,967

4.12 Balance Sheet – Capital Reserve

The movement in the Capital Reserves include the unrealised gain for the Aegon Asset Management Fund as at 31 March 2022, 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

Suzy Douglas
Acting Chief Financial Officer

Signature

Author(s)

Sara Wilson	Treasury Business Partner - Tel: 01835 825155
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Background Papers:

Previous Minute Reference: Peebles Common Good Committee 24 August 2022

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**PEEBLES COMMON GOOD FUND
PROJECTED INCOME AND EXPENDITURE 2022/23**

APPENDIX 1

	Actuals at 30/09/22	Full Year Approved Budget 2022/23	Full Year Projected Out-turn 2022/23	Full Year Projected Over/ (Under) Spend 2022/23	Para Ref	Comments
	£	£	£	£		
Property Income						
Rental Income	(60,034)	(69,571)	(69,571)		4.2	
Non-Property Related Income						
Interest on Cash deposited with Council	(0)	(300)	(300)		4.3	Est 5% return
Investment Funds – Dividends Rec'd	(12,267)	(23,313)	(23,313)		4.3	
Other Income	(118)	(500)	(500)		4.3	
Total Income	(72,419)	(93,684)	(93,684)			
Property Expenditure						
Property Costs – General	3,092	65,000	65,000		4.4	
Haylodge Toilets – Cleaning etc	7,200	8,500	9,780	1,280	4.4	
Total Property Expenditure	10,292	73,500	74,780	1,280		
Grants & Other Donations	7,929	20,000	20,000		4.5	
Central Support Service Charge	0	8,941	8,941		4.6	Subject to review
Depreciation						
Depreciation Charge	0	301,939	301,939		4.7	
Contribution from Revaluation Reserve	(0)	(301,939)	(301,939)		4.7	
Net impact of Depreciation on Revenue Reserve	0	0	0			
Total Net (Surplus)/Deficit for year	(54,198)	8,757	10,037	1,280		

PROJECTED BALANCE SHEET VALUE AS AT 31 MARCH 2023

	Opening Balance at 01/04/22	Projected Movement in Year	Projected Closing Balance at 31/03/23
	£	£	£
Fixed Assets			
Land & Buildings	8,611,641	(301,939)	8,309,702
Feu Duties	1,619	0	1,619
Total Fixed Assets	8,613,260	(301,939)	8,311,321
Capital in Investment Fund			
Investment Fund Book Value	505,179	510	505,689
Unrealised Gains/(Loss)	3,099	0	3,099
Market Value	508,278	510	508,788
Current Assets			
Debtors	11,832	0	11,832
Cash deposited with SBC	78,514	(10,547)	67,967
Total Current Assets	90,346	(10,547)	79,799
Current Liabilities			
Creditors	(2,927)	0	(2,927)
Receipts in Advance	(6,389)	0	(6,389)
Total Current Liabilities	(9,316)	0	(9,316)
Net Assets	9,202,568	(311,776)	8,890,592
Funded by:			
Reserves			
Revenue Reserve	(164,209)	10,037	(154,172)
Capital Reserve	(474,894)	0	(474,894)
Revaluation Reserve	(8,563,465)	301,939	(8,261,526)
Total Reserves	(9,202,568)	311,776	(8,890,592)

PROPERTY PORTFOLIO PERFORMANCE FOR 2022/23
(Actual income to 30 September 2022 and projections to 31 March 2023)

Rental Income – Land & Buildings	2022/23			
	Approv'd Budget	Project'd Budget	Actuals as at 30/09/22	Project'd Net (Return) /Loss
	£	£	£	£
33. Tweed Green Car Park	0	0	0	0
25. Greenside Car Park	0	0	0	0
22. Kings Meadows Car Park	0	0	(380)	0
9. George Meikle Kemp Monument	0	0	0	0
11. Victoria Park	(801)	(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 & Grazing	(17,500)	(17,500)	(11,241)	47,500
2. Neidpath Grazings	0	0	0	0
8. Haylodge Park	(250)	(250)	(354)	(250)
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)	(6,500)
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)	(14,950)	(10,830)
32. Garage 1 Tweed Green	(300)	(300)	(300)	(300)
12. Venlaw Quarry	0	0	0	0
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
32. Garage 2 Tweed Green	(175)	(175)	(438)	(175)
32. Garage 3 Tweed Green	(175)	(175)	(88)	(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. Haylodge Cottage & Land	0	0	0	0
15. Garages Sites at Kirkland St (1-8)	(800)	(800)	(808)	(800)
21. Kingsmeadows Toilets & Land	0	0	0	0
13. Haylodge Toilets	0	0	0	9,780
39. Land at Gytes Leisure Centre	0	0	0	0
26. Old Corn Exchange Shop (Rear)	(3,000)	(3,000)	(2,000)	(3,000)
18. Haylodge Pavilion Site	0	0	0	0
5. Elliots Park Grazings	0	0	0	0
7. Kingsland Primary School & Site	(3,500)	(3,500)	0	(3,500)
7. Kingsland Primary School Sub Stn	0	0	0	0
7. Kingsland Nursery School	0	0	0	0
14. Connor Ridge Monitoring Site	0	0	0	0
General Property Expenditure	0	0	0	0
TOTAL	(69,571)	(69,571)	(60,034)	5,209

PROPERTY PORTFOLIO PERFORMANCE FOR 2022/23
(Actual expenditure to 30 September 2022)

Property Expenditure – Land & Buildings	2022/23				
	Approv'd Budget	Project'd Budget	Actual (Repair & Maint)	Actual (Other)	Actual Total
	£	£	£	£	£
33. Tweed Green Car Park	0	0	0	0	0
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	0	(229)	(229)
Peebles Disused Railway	0	0	0	0	0
6. Peebles Golf Course	0	0	0	0	0
1. Jedderfield Farm & Grazing	65,000	65,000	409	2,580	2,989
2. Neidpath Grazings	0	0	0	0	0
8. Haylodge Park	0	0	(200)	0	(200)
17. Haylodge Depot	0	0	0	(241)	(241)
26. Old Corn Exchange Hall	0	0	0	0	0
34. Walkershaugh Store	0	0	0	0	0
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	(51)	(51)
32. Garage 1 Tweed Green	0	0	0	(8)	(8)
12. Venlaw Quarry	0	0	0	0	0
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
32. Garage 2 Tweed Green	0	0	0	(2)	(2)
32. Garage 3 Tweed Green	0	0	0	(2)	(2)
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. Haylodge Cottage & Land	0	0	0	0	0
15. Garages Sites at Kirkland St (1-8)	0	0	0	0	0
21. Kingsmeadows Toilets & Land	0	0	940	2	942
13. Haylodge Toilets	8,500	9,780	0	7,214	7,214
39. Land at Gytes Leisure Centre	0	0	0	0	0
26. Old Corn Exchange Shop (Rear)	0	0	0	(120)	(120)
18. Haylodge Pavilion Site	0	0	0	0	0
5. Elliots Park Grazings	0	0	0	0	0
7. Kingsland Primary School & Site	0	0	0	0	0
7. Kingsland Primary School Sub Stn	0	0	0	0	0
7. Kingsland Nursery School	0	0	0	0	0
14. Connor Ridge Monitoring Site	0	0	0	0	0
General Property Expenditure	0	0	0	0	0
Total	73,500	74,780	1,149	9,143	10,292

PROPERTY PORTFOLIO VALUATION FOR 2022/23
(Projected property valuation to 31 March 2023)

Fixed Assets – Land & Buildings	Net Book Value at 01/04/22	Project'd Depn Charge 2022/23	Project'd Net Book Value at 31/03/23
	£	£	£
33. Tweed Green Car Park	0	0	0
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 (part)	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 & Grazing	142,700	(4,100)	138,600
2. Neidpath Grazings	20,000	0	20,000
8. Haylodge Park	0	0	0
17. Haylodge Depot	45,280	(12,240)	33,040
26. Old Corn Exchange Hall	20,300	(7,900)	12,400
34. Walkershaugh Store	23,920	(9,360)	14,560
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)	47,550	(22,150)	25,400
32. Garage 1 Tweed Green	2,300	(900)	1,400
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
32. Garage Tweed 2 Tweed Green	1,380	(540)	840
32. Garage 3 Tweed Green	1,380	(540)	840
23. Land at March Street	0	0	0
38. Gas Governor Site	750	0	750
4. Fotheringham Bridge	0	0	0
16. Haylodge Cottage & Land	149,556	(6,444)	143,111
15. Garage Sites at Kirkland St (1-8)	8,000	0	8,000
21. Kingsmeadows Toilets & Land	98,989	(5,211)	93,779
13. Haylodge Toilets	10,810	(4,730)	6,080
39. Land at Gytes Leisure Centre	0	0	0
26. Old Corn Exchange Shop (Rear)	22,700	(9,100)	13,600
18. Haylodge Pavilion Site	4,800	200	4,600
5. Elliots Park Grazings	50,000	0	50,000
7. Kingsland Primary School & Site	7,356,501	(210,399)	7,146,102
7. Kingsland P'mary School Sub Stn	750	0	750
7. Kingsland Nursery School	390,875	(8,125)	382,750
14. Connor Ridge Monitoring Site	0	0	0
Total	8,611,641	(301,939)	8,309,702

Fixed Assets – Moveable Assets

Eastgate Fountain

Arts & Artefacts – held in locations below:

Chambers Institute

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), 4 Single Brass Gas Wall Fittings

Tweeddale Museum

Silver Bowl, Provosts Chain (2), Weights & Balances, Provosts Chain & Baillie's Insignia 1957, Provost & Baillie's Robes 1957, Commemorative Bronze Plaque, Beltane Cup & Saddle 1663, Beltane Silver Plate 1677, Town Drum 1677, Silver Arrow for St Bartholomew's Fair 1628, Silver Plate donated by Earl of March 1708, Silver Bell of Peebles with 2 smaller bells 1647, Engraving of Neidpath Castle, Rennie Trophy and Silver Medallion, Civic Photograph Album, Old Fire Engine, Portrait of Sir Michael Grieve Thorburn

Rosetta Road Offices

Portraits of J Ramsay Smith, Sir Michael Thorburn of Glenormiston, Alexander-7th Lord Elibank, Harry B Marshall of Rachan, Sir Graham Graham-Montgomery of Stanhope, Sir R J Thompson of Kaimes, Montolieu-10th Lord Elibank, Sir John Hay c1818, Back of Old Town Peebles

INVESTMENTS EXTERNALLY MANAGED

Cost of Investment	Units	£
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)	464	510
Aegon Fund Rebate – (2022-2023)	240	244
Total Invested to 30 September 2022	466,507	505,423

Value of Investment	£
31 March 2018	418,032
31 March 2019	446,938
31 March 2020	393,681
31 March 2021	508,284
31 March 2022	508,278
30 June 2022	452,112
30 September 2022	423,681
Increase/(Decrease) from Total Cash Invested	(81,742)

Return on Investment from inception	Capital Return %	Total Return %
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
to 30 September 2021	+0.36	+19.52
to 31 December 2021	+3.93	+25.02
to 31 March 2022	+0.68	+22.56
to 30 June 2022	-10.46	+10.70
30 September 2022	-16.12	+5.84