
**MONITORING REPORT FOR 12 MONTHS TO 31 MARCH 2023
AND PROPOSED BUDGET FOR FINANCIAL YEAR 2023/24**

Report by Acting Chief Financial Officer

INNERLEITHEN COMMON GOOD FUND SUB-COMMITTEE

1 June 2023

1 PURPOSE AND SUMMARY

- 1.1 **This report provides the details of the assets held by the Innerleithen Common Good Fund as at 31 March 2023, a full year revenue out-turn for 2022/23 and projected balance sheet values as at 31 March 2024.**
- 1.2 Appendix 1 provides the actual Income and Expenditure account for the year to 31 March 2023.
- 1.3 Appendix 2 provides an actual balance sheet value as at 31 March 2023. It shows a decrease in the reserves of £40,174.

2 RECOMMENDATIONS

- 2.1 **I recommend that the Common Good Fund Sub-Committee:**
- (a) Notes the actual income and expenditure for 2022/23 in Appendix 1;**
 - (b) Agrees the proposed budget for 2023/24 as shown in Appendix 1;**
 - (c) Notes the final balance sheet value as at 31 March 2023, and projected balance sheet value as at 31 March 2024 in Appendix 2; and**
 - (d) Notes the summary of the property portfolio in Appendix 3.**

3 BACKGROUND

- 3.1 Innerleithen Memorial Hall was recognised as a Common Good asset on 1 April 2015. Until that time the Hall was deemed to belong to Scottish Borders Council (SBC). This transfer relates to the *ownership* of the Hall and has no impact on the transfer of the operation and maintenance of the Hall, which is undertaken jointly between SBC and Live Borders.
- 3.2 Live Borders are liable for operating costs such as staffing, energy and communications in return for their retention of all income earned. Scottish Borders Council have retained budget and liability for insurance and maintenance costs.
- 3.3 This report provides the Committee with financial information for the period to 31 March 2023 and proposed budgets for 2023/24. The report also contains a projected balance sheet for the Common Good Fund as at 31 March 2024.

4 FINANCIAL POSITION 2022/23

- 4.1 Appendix 1 provides detail on the income and expenditure for the 2022/23 financial year, as well as the proposed budget for 2023/24.

4.2 Income & Expenditure – Property Income & Expenditure

As the liability for the upkeep of the Hall falls to Scottish Borders Council, there is no anticipated income or expenditure relating to the Hall.

4.3 Income & Expenditure – Grants & Other Donations

It is anticipated that no grants will be paid from the Innerleithen Common Good Fund.

4.4 Income & Expenditure – Depreciation Charge

The depreciation charge for the year is £40,174, an increase of £8,944 due to upward revaluations on the properties owned by the Common Good. 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. As such, the net income/expenditure impact is nil.

- 4.5 Appendix 2 provides the actual balance sheet value as at 31 March 2023 and a projected balance sheet as at 31 March 2024.

4.6 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, actual depreciation charges for 2022/23 and actual values at 31 March 2023; along with projected value at 31 March 2024. Adjustments required as part of the 2021/22 audit are now completed and those impacting the balance sheet value are listed in the table below:

Asset Adjustments	Re-valuation as at 31/3/2022 £
Innerleithen Memorial Hall	61,286
Innerleithen Memorial Hall Office	12,518
Innerleithen Memorial Hall Offices (upper floor)	19,886
Total	93,690

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 with any property that works will be required during its life, which the Common Good does not hold funds for. This risk is mitigated by agreements in place between Scottish Borders Council and LIVE Borders. Operational costs are met by LIVE Borders and major repairs by Scottish Borders Council.

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 this report, the hall is a valuable community asset which, through its activities, has 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.

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

Author(s)

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Background Papers:

Previous Minute Reference: Scottish Borders Council 24 August 2022

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INNERLEITHEN COMMON GOOD FUND

APPENDIX 1

ACTUAL INCOME AND EXPENDITURE 2022/23

	Actuals at 31/03/23	Full Year Approved Budget 2022/23	Over/ (Under) Spend 2022/23	Full Year Proposed Budget 2023/24	Para Ref	Commentary
	£	£	£	£		
Depreciation						
Depreciation Charge	40,174	31,230	8,944	40,174	4.4	
Contribution from Revaluation Reserve	(40,174)	(31,230)	(8,944)	(40,174)		
Net impact of Depreciation on Revenue Reserve	0	0	0	0		
Total Net (Surplus)/Deficit for year	0	0	0	0		

BALANCE SHEET VALUE AS AT 31 MARCH 2023

	Opening Balance at 01/04/22	Movement in Year	Closing Balance at 31/03/23	Projected Closing Balance at 31/03/24
	£	£	£	£
Fixed Assets				
Land & Buildings	545,100	(40,174)	504,926	464,752
Total Fixed Asset	545,100	(40,174)	504,926	464,752
Net Assets	545,100	(40,174)	504,926	464,752
Funded by:				
Reserves				
Capital Reserve	(135,263)	0	(135,263)	(135,263)
Revaluation Reserve	(409,837)	40,174	(369,663)	(329,489)
Total Reserves	(545,100)	40,174	(504,926)	(464,752)

PROPERTY PORTFOLIO PERFORMANCE FOR 2022/23

(Actual property valuation to 31 March 2023 and projected to 31 March 2023)

Fixed Assets – Land & Buildings	Net Book Value at 31/03/22 (previously reported)	Adjustment (See note 4.6 above)	Net Book Value at 01/04/22	Revised Depn Charge 2022/23	Net Book Value at 31/03/23	Project'd Depn Charge 2023/24	Project'd Net Book Value at 31/03/24
	£	£	£	£	£	£	£
Innerleithen Memorial Hall	329,714	61,286	391,000	(26,000)	365,000	(26,000)	339,000
Innerleithen Memorial Hall Office	41,080	12,520	53,600	(5,738)	47,862	(5,738)	42,124
Innerleithen Memorial Hall Offices (upper floor)	80,616	19,884	100,500	(8,436)	92,064	(8,436)	83,628
Innerleithen War Memorial	0	0	0	0	0	0	0
Damside Park	0	0	0	0	0	0	0
Damside Play Area	0	0	0	0	0	0	0
Total	451,410	93,690	545,100	(40,174)	504,926	(40,174)	464,752

Fixed Assets – Moveable Assets	Net Book Value at 31/03/23 £
Arts & Artefacts – held in location below: <u>St Ronans Wells Visitor Centre</u> Provost's chain and medal	0