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## **MONITORING REPORT FOR 6 MONTHS TO 30 SEPTEMBER 2024**

**Report by Director of Finance**

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

**28 November 2024**

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

- 1.1 This report provides the details of the income and expenditure for the Selkirk Common Good Fund for the six months to 30 September 2024, a full year projected out-turn for 2024/25 and high level forecast information for the following 2 years.**
- 1.2 Future year forecasts have been provided to support the decision making of the Common Good Committee, allowing anticipated future income and expenditure to be considered, alongside the in-year financial position.
- 1.3 Appendix 1 shows a summary of the total income and expenditure for the Common Good fund, the balance of which creates the cash balance held with SBC. This shows a surplus of £139,259 at 30 September 2024 reducing to a forecast deficit of £60,646 by 31 March 2025.
- 1.4 Appendix 2 provides details of the forecast rental income by property, by year. It shows rent received to 30 September 2024 of £49,208 with a further £18,623 due by 31 March 2025.
- 1.5 Appendix 3 provides forecast property costs by year. It shows actual expenditure of £12,588 to 30 September 2024 with £204,412 forecast to be spent by 31 March 2025.
- 1.6 Appendix 4 relates to Property Income and Expenditure and provides a breakdown of the net income /expenditure position by property, both at 30 September 2024 and 31 March 2025. A projected deficit on properties of £149,169 to 31 March 2025 is forecast. Forecasts for future years are also provided.
- 1.7 Appendix 5 provides information on the approved grant budget for 2024/25 with £4,550 still available this financial year.
- 1.8 Appendix 6 shows the value of the Aegon Asset Management Investment Fund at 30 September 2024 and investment income of £6,277 received to 30 September 2024 with a further £5,673 estimated to be received before 31 March 2025.

## **2 RECOMMENDATIONS**

### **2.1 I recommend that the Common Good Fund Sub-Committee:**

- (a) Notes the actual income and expenditure forecast for 2024/25, 2025/26 and 2026/27 within Appendix 1;**
- (b) Notes the summary of the property income, expenditure and net income and expenditure by property in Appendices 2,3 and 4;**
- (c) Notes the grant budget available in year and future years within Appendix 5; and**
- (d) Notes the current position of the Aegon Asset Management Investment Fund in Appendix 6.**

### **3 BACKGROUND**

- 3.1 This report provides the Committee with financial information for the period to 30 September 2024 and projections for financial years 2024/25, 2025/26 and 2026/27.
- 3.2 This report is based on the cash position of the Common Good Fund and therefore does not reflect any year end accounting adjustments which will be made.

### **4 FINANCIAL POSITION 2024/25**

- 4.1 Appendix 1 provides details on all income and expenditure for the 2024/25 financial year. The cash position at 30 September 2024 is a surplus of £144,861 and the projected net position at the year end is a deficit of £60,646. This is due to the relinquishment payment on Lingle Farm projected for the remaining period of the year. This is anticipated to result in a large deficit at the year end.

The projected cash balance at 31 March 2026, based on current assumptions, shows a deficit of £19,585, improving to a surplus of £20,191 during 2026/27. The Committee should consider these balances when making decisions relating to future years.

Further detail on the forecast income and expenditure relating to property is included in Appendices 2, 3 and 4.

#### **4.2 Property Income**

Rental income for 2024/25 is shown in Appendix 2 which details the annual rental income by individual property. Appendix 2 shows the rent received in the period to 30 September 2024 is £49,208 with £18,623 due to be received in the remainder of the period.

There is a balance of approximately £1,146 of debtors that are over 1 year outstanding and are being managed within SBC debt management processes.

Forecast income for the next 2 financial years is also included based on current rentals. No inflation increase has been assumed at this time.

#### **4.3 Property Expenditure**

- (a) The property expenditure for 2024/25 is shown in Appendix 3 which details the actual and anticipated property expenditure by individual property. This shows expenditure of £12,588 in the quarter to 30 September 2024 with £204,412 forecast to be spent during the remainder of the year.
- (b) Forecast spend of £11k has been assumed for both 2025/26 and 2026/27 based on an average of the previous three years spend.

#### **4.4 Income and Expenditure by property**

The income and expenditure by property is shown in Appendix 4 for 2024/25, 2025/26 and 2026/27. At 31 March 2025, this report projects that there will be a deficit of £149,169 on the property assets. This is due to the significant expenditure for the relinquishment cost on Linglie Farm.

#### **4.5 Grants & Other Donations**

The grants and other donations approved and distributed to 30 September 2024 are shown in Appendix 5. This results in £4,550 remaining available to be allocated in this financial year compared to the original budget of £9,400 which was agreed on 22 May 2024. If the Committee decide to provide grants in excess of the amount budgeted it will negatively impact on the forecast cash balance described in 4.1, or if fewer grants are awarded there will be a positive impact. Also detailed in Appendix 5 are the last three years grants allocations, for information.

#### **4.6 Investment Fund**

The details of the Investment Fund is detailed in Appendix 6 and shows income received of £6,277 to 30 September 2024 with an additional £5,673 anticipated before 31 March 2025.

The amount invested is £259,177 and the value of the investment at 30 September 2024 is £247,466, resulting in an unrealised loss of £11,711.

The position at 31 March 2024 was an unrealised loss of £18,427 and so the position has improved.

### **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**

It is anticipated there will be no adverse impact due to race, disability, gender, age, sexual orientation or religion/belief arising from the proposals contained in 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**  
**Director of Finance**

### **Author(s)**

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### **Background Papers:**

**Previous Minute Reference:** Selkirk Common Good Committee 28 August 2024

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**Selkirk Common Good Fund**  
**Summary of Income and Expenditure as at 30 September 2024**

**APPENDIX 1**

	<b>Actuals to date</b> £	<b>Forecast to 31st March</b> £	<b>Projected Outturn</b> £	<b>Forecast 2025/26</b> £	<b>Forecast 2026/27</b> £
<b>Opening balance at 01.04.24</b>	<b>98,921</b>	<b>139,259</b>	<b>98,921</b>	<b>(60,646)</b>	<b>(19,585)</b>
<b>Income Received</b>					
Rental Income	49,208	18,623	67,831	67,831	67,831
Investment Income	6,277	5,673	11,950	11,960	11,960
Interest Income	-	50	50	50	50
Other Income	60	200	260	260	260
<b>Total Income Received</b>	<b>55,545</b>	<b>24,546</b>	<b>80,091</b>	<b>80,101</b>	<b>80,101</b>
<b>Expenses spent</b>					
Property Costs	(12,588)	(6,412)	(19,000)	(15,000)	(15,000)
Property Costs - Lingle	-	(198,000)	(198,000)	-	-
Grants and other donations	(2,500)	(6,900)	(9,400)	(10,000)	(10,600)
Central Support Service Charge	-	(13,085)	(13,085)	(13,740)	(14,425)
<b>Total expenses</b>	<b>(15,088)</b>	<b>(224,397)</b>	<b>(239,485)</b>	<b>(38,740)</b>	<b>(40,025)</b>
Additional Aegon funds through rebate	(119)	(54)	(173)	(300)	(300)
<b>Projected closing surplus/(deficit)</b>	<b>139,259</b>	<b>(60,646)</b>	<b>(60,646)</b>	<b>(19,585)</b>	<b>20,191</b>

**SELKIRK COMMON GOOD FUND**
**APPENDIX 2**
**PROPERTY PORTFOLIO**
**RENTAL INCOME as at 30 September 2024**

Property	Actuals to date £	Forecast to 31st March £	Projected outturn £	Forecast 2025/26 £	Forecast 2026/27 £
<b>General</b>					
The Green Hut	-	(2,350)	(2,350)	(2,350)	(2,350)
Victoria Park Pavilion Site	(200)	-	(200)	(200)	(200)
Selkirk Golf Course	(10)	10	-	-	-
South Common Farm (Farm £9,100 and Shed £500)	(9,000)	(500)	(9,500)	(9,500)	(9,500)
Smedheugh Farm	(15,471)	(8,029)	(23,500)	(23,500)	(23,500)
Selkirk Hill Grazings	(410)	-	(410)	(410)	(410)
Linglie Farm	(8,456)	(2,544)	(11,000)	(11,000)	(11,000)
26 Market Place	(4,950)	790	(4,160)	(4,160)	(4,160)
28 Market Place	-	(6,000)	(6,000)	(6,000)	(6,000)
Selkirk Town Hall	-	-	-	-	-
Smedheugh Farm Shootings	(200)	-	(200)	(200)	(200)
Linglie Mast Site	(10,311)	-	(10,311)	(10,311)	(10,311)
South Common Farm Shootings	(200)	-	(200)	(200)	(200)
General Expenditure	-	-	-	-	-
<b>TOTAL</b>	<b>(49,208)</b>	<b>(18,623)</b>	<b>(67,831)</b>	<b>(67,831)</b>	<b>(67,831)</b>

**SELKIRK COMMON GOOD FUND**
**APPENDIX 3**
**PROPERTY PORTFOLIO  
PROPERTY COSTS as at 30 September 2024**

Property	Actuals to date	Forecast to 31st March	Projected Outturn	Forecast 2025/26	Forecast 2026/27
<b>General</b>	£	£	£	£	£
The Green Hut	-	-	-	-	-
Victoria Park Pavilion Site	-	-	-	-	-
Selkirk Golf Course	-	-	-	-	-
South Common Farm	795	3,205	4,000	-	-
Smedheugh Farm	518	-	518	-	-
Selkirk Hill Grazings	10,000	-	10,000	10,000	10,000
Linglie Farm	340	197,660	198,000	-	-
26 Market Place	2,119	-	2,119	-	-
28 Market Place	(1,368)	1,368	-	-	-
Selkirk Town Hall	(80)	80	-	-	-
Smedheugh Farm Shootings	-	-	-	-	-
Linglie Mast Site	-	-	-	-	-
South Common Farm Shootings	-	-	-	-	-
General Expenditure	264	2,099	2,363	5,000	5,000
<b>TOTAL</b>	<b>12,588</b>	<b>204,412</b>	<b>217,000</b>	<b>15,000</b>	<b>15,000</b>



**SELKIRK COMMON GOOD FUND**  
**PROPERTY PORTFOLIO**  
**INCOME & EXPENDITURE BY PROPERTY as at 30 September 2024**

**APPENDIX 4**

Property	Actuals to date	Forecast to 31st March	Projected Outturn	Forecast 2025/26	Forecast 2026/27
<b>General</b>	£	£	£	£	£
The Green Hut	(200)	-	(200)	(200)	(200)
Victoria Park Pavilion Site	(10)	10	-	-	-
Selkirk Golf Course	(9,000)	(500)	(9,500)	(9,500)	(9,500)
South Common Farm (Farm £9,100 and Shed £500)	(14,676)	(4,824)	(19,500)	(23,500)	(23,500)
Smedheugh Farm	108	-	108	9,590	9,590
Selkirk Hill Grazings	1,544	(2,544)	(1,000)	(1,000)	(1,000)
Linglie Farm	(4,610)	198,450	193,840	(4,160)	(4,160)
26 Market Place	2,119	(6,000)	(3,881)	(6,000)	(6,000)
28 Market Place	(1,368)	1,368	-	-	-
Selkirk Town Hall	(280)	80	(200)	(200)	(200)
Smedheugh Farm Shootings	(10,311)	-	(10,311)	(10,311)	(10,311)
Linglie Mast Site	(200)	-	(200)	(200)	(200)
South Common Farm Shootings	-	-	-	-	-
General Expenditure	264	2,099	2,363	5,000	5,000
<b>TOTAL (SURPLUS)/DEFICIT ON PROPERTY ASSETS</b>	<b>(36,620)</b>	<b>188,139</b>	<b>151,519</b>	<b>(45,481)</b>	<b>(45,481)</b>

# SELKIRK COMMON GOOD FUND

# APPENDIX 5

## GRANT BUDGET as at 30 September 2024

	Projected Outturn 2024/25 £	Outturn 2023/24 £	Outturn 2022/23 £	Outturn 2021/22 £
<b>Paid</b>				
Interest Link Borders	2,500	-	2,500	-
<b>Committed?</b>				
<i>Scotts Selkirk/ Green Hut Notional Rent</i>	2,350	2,350	2,350	2,350
Selkirk Silver Band	-	1,848	-	-
Selkirk Musical Theatre Company	-	-	1,500	-
Scott's Selkirk Association	-	-	500	-
Selkirk Means Business	-	-	9,995	-
Selkirk Regeneration Company	-	-	-	7,500
<b>Available for allocation</b>	<b>4,550</b>			
<b>Total Grant budget</b>	<b>9,400</b>	<b>4,198</b>	<b>16,845</b>	<b>9,850</b>

**SELKIRK COMMON GOOD FUND**
**APPENDIX 6**
**INVESTMENTS EXTERNALLY MANAGED as at 30 September 2024**

<b>Investment Income</b>	<b>Actuals to date</b>	<b>Forecast to 31st March</b>	<b>Projected Outturn</b>	<b>Forecast 2025/26</b>	<b>Forecast 2026/27</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Dividends received	6,277	5,673	11,950	11,960	11,960

<b>Received</b>	<b>£</b>
2023/24	15,471
2022/23	12,359
2021/22	12,255

<b>Investments</b>	<b>Units</b>	<b>Cost of Investments £</b>	<b>Value of Investments £</b>	<b>Unrealised Gain/(Loss) £</b>	<b>Capital return %</b>
At 30.09.24	239,029	259,177	<b>247,466</b>	(11,711)	(4.52)
At 31.03.24	238,911	259,058	240,631	(18,427)	(7.11)
At 31.03.23	238,730	258,885	228,274	(30,611)	(11.82)
At 31.03.22	238,425	258,588	259,907	1,319	0.51

At 30.09.24 the Net Asset Value (NAV) quoted for the fund was 1.0353 (31.3.24 1.0072).

The management fee charged for the investment is 0.55% and are implicit in the price of the fund, so calculated daily in the NAV. However, a rebate of 0.10% is received and reinvested in the fund quarterly.

The implied gross management fee for the period to 30.09.24 is £654.50.