
MONITORING REPORT FOR 12 MONTHS TO 31 MARCH 2025 AND PROPOSED BUDGET FOR 2025/26

Report by Director of Finance

SELKIRK COMMON GOOD FUND SUB-COMMITTEE

5 June 2025

1 PURPOSE AND SUMMARY

- 1.1 This report provides the details of the income and expenditure for the Selkirk Common Good Fund for the year to 31 March 2025 against figures previously forecast, the proposed budget for the year to 31 March 2026 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 deficit of £45,229 at 31 March 2025 against the deficit balance of £75,428 previously forecast.
- 1.4 Appendix 2 provides details of the rental income by property. It shows rent received to 31 March 2025 of £60,636 against the forecasted amount of £62,437.
- 1.5 Appendix 3 provides total property costs. It shows total expenditure of £212,151 to 31 March 2025 against the forecasted amount of £225,905.
- 1.6 Appendix 4 relates to Property income and Expenditure and provides a breakdown of the net income /expenditure position by property at 31 March 2025. It shows a surplus on properties of £25,155 to 31 March 2025 against the forecasted amount of £19,396.
- 1.7 Appendix 5 provides information on the approved grants for 2024/25 of £4,850 against a forecast of £9,400.
- 1.8 Appendix 6 shows the value of the Aegon Asset Management Investment Fund at 31 March 2025 (£238,933) and investment income of £13,903 received to 31 March 2025 against the forecast of £11,950.
- 1.9 Full Accounts for the Fund will be presented at the earliest meeting following the conclusion of the statutory audit and approval of the Scottish Borders Council Accounts.

2 RECOMMENDATIONS

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

- (a) Notes the actual income and expenditure for 2024/25 and forecast income and expenditure for 2026/27 and 2027/28 within Appendix 1;**
- (b) Agrees or amends the proposed budget for 2025/26 as summarised in Appendix 1;**
- (c) Notes the summary of the property income, expenditure and net income and expenditure by property in Appendices 2,3 and 4; 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 year to 31 March 2025, a proposed budget for financial year 2025/26 and projections for 2025/26 and 2026/27, based on forecasts available at this time.
- 3.2 This report is based on the cash position of the Common Good Fund and full Accounts for the Fund will be presented at the earliest meeting following the conclusion of the statutory audit and approval of the Scottish Borders Council Accounts.

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 31 March 2025 is a deficit of £45,229. The forecasted net position for the year at 31st December was a deficit of £75,428. The position has improved due to slippage of property costs on Lingle Farm (£8k), unspent property costs (£5k), unspent grants (£5k), increased interest and investment income (£5k), prior period debts received (£9k) offset by reduced rental income (£2k).

The projected cash balance based on current assumptions, shows a forecast deficit of £36,926 in 2025/26, improving to a surplus of £42,197 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. Actual income is reported on a cash basis until the year end with the report incorporating any annual adjustments for prepayments and accruals.

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. This income is assumed to be recoverable within the financial position presented however if this is not the case the cash position will worsen.

Forecast income for the next 3 financial years is also included based on current rentals. The increased income reflects the revised lease in place for the new tenants at Lingle Farm. No inflationary increases to rentals have 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 property expenditure by individual property. This shows total expenditure of £212,151; £35,481 is for revenue purposes and £176,670 has been capitalised on the assets at Lingle Farm.

- (b) Forecast expenditure in 2025/26 on Linglie Farm of £65k reflects the cost of additional work still required to bring the property to an acceptable standard.
- (c) The other significant spend is for Selkirk Hill Grazings. The amount of £10k has remained unchanged from September 2014.
- (d) A general property repair budget of £5k per year has been assumed moving forward.

4.4 Income and Expenditure by property

The revenue income and expenditure by property is shown in Appendix 4 for 2024/25. At 31 March 2025, this report details that there is a surplus of £25,155 on the property assets, increasing to a forecast surplus of £87k in 2026/27. This excludes the capital expenditure which has been detailed separately on Appendix 3.

4.5 Grants & Other Donations

The grants and other donations approved and distributed to 31 March 2025 are shown in Appendix 5. This results in £4,550 unallocated in this financial year compared to the original budget of £9,400 which was agreed on 13 June 2024.

The £8.5k budget proposed is calculated based on the average of the previous 3 years spend. If fewer grants are awarded, there will be a positive impact on the financial position as detailed in 4.1 and if more grants are awarded then it will negatively impact on the balance.

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 £13,903, an income return of 5.82%, outperforming the target of 5%.

The amount invested is £259,299 and the value of the investment at 31 March 2025 is £238,933, resulting in an unrealised loss of £20,366 (7.85%).

The position at 31 March 2024 was an unrealised loss of £18,427 and so the position has slightly deteriorated over the last year. This is largely due to the fall in the equity markets and the largest fallers in the Fund were disproportionately US-domiciled.

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 income generated through the use of the investment fund will help 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 Director of Corporate Governance, the Chief Officer Audit and Risk, Director (People Performance & Change) 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 13 February 2025

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Contact us at Finance, Statutory Reporting and Treasury team, Council Headquarters, Newtown St Boswells, Melrose, TD6 0SA.

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Selkirk Common Good Fund
Summary of Income and Expenditure as at 31 March 2025

APPENDIX 1

	Actuals 2024/25 £	Forecast Outturn £	Variance £	Budget 2025/26 £	Forecast 2026/27 £	Forecast 2027/28 £
Opening balance at 01.04.24	98,921	98,921		(45,229)	(36,926)	42,197
Income Received						
Rental Income	60,636	62,437	(1,801)	102,581	110,081	110,081
Investment Income	13,903	11,950	1,953	11,960	11,965	11,970
Interest Income	3,146	50	3,096	1500	2500	2500
Other Income	243	260	(17)	260	260	260
Total Income Received	77,928	74,697	3,231	116,301	124,806	124,811
Expenses spent						
Property Costs	(22,588)	(27,905)	5,317	(20,500)	(20,500)	(20,500)
Property Costs - Linglie	(12,893)	(21,330)	8,437	(65,000)	(2,000)	(2,000)
Capital Property Costs (Linglie Farm)	(176,670)	(176,670)	-	-	-	-
Grants and other donations	(4,850)	(9,400)	4,550	(8,500)	(8,500)	(8,500)
Professional Fees (Isio)	(256)	(256)	-	-	-	-
Central Support Service Charge	(13,246)	(13,246)	-	(13,740)	(14,425)	(14,425)
Total expenses	(230,503)	(248,807)	18,304	(107,740)	(45,425)	(45,425)
Additional Aegon funds allocated from rebate in management fee	(241)	(239)	(2)	(258)	(258)	(258)
Net cash movement in debtors/creditors	8,666	-	8,666	-	-	-
Closing surplus/(deficit)	(45,229)	(75,428)	30,199	(36,926)	42,197	121,325

SELKIRK COMMON GOOD FUND
PROPERTY PORTFOLIO
RENTAL INCOME as at 31 March 2025

APPENDIX 2

Property	Actuals 2024/25	Forecast Outturn	Variances	Budget 2025/26	Forecast 2026/27	Forecast 2027/28
General	£	£	£	£	£	£
The Green Hut	(2,350)	(2,350)	-	(2,350)	(2,350)	(2,350)
Victoria Park Pavilion Site	(200)	(200)	-	(200)	(200)	(200)
Selkirk Golf Course	(10)	(10)	-	(10)	(10)	(10)
South Common Farm (Farm £9,000 and Shed £500)	(9,500)	(9,500)	-	(9,500)	(9,500)	(9,500)
Smedheugh Farm	(23,500)	(23,500)	-	(23,500)	(23,500)	(23,500)
Selkirk Hill Grazings	(410)	(410)	-	(410)	(410)	(410)
Linglie Farm	(4,806)	(11,000)	6,194	(44,500)	(52,000)	(52,000)
26 Market Place	(3,149)	(4,950)	1,801	(5,400)	(5,400)	(5,400)
28 Market Place	(6,000)	(6,000)	-	(6,000)	(6,000)	(6,000)
Selkirk Town Hall	-	-	-	-	-	-
Smedheugh Farm Shootings	(200)	(200)	-	(200)	(200)	(200)
Linglie Mast Site	(10,311)	(10,311)	-	(10,311)	(10,311)	(10,311)
South Common Farm Shootings	(200)	(200)	-	(200)	(200)	(200)
TOTAL	(60,636)	(68,631)	7,995	(102,581)	(110,081)	(110,081)

SELKIRK COMMON GOOD FUND
APPENDIX 3
PROPERTY PORTFOLIO
PROPERTY COSTS as at 31 March 2025

Property	Actuals 2024/25	Forecast Outturn	Variances	Budget 2025/26	Forecast 2026/27	Forecast 2027/28
General	£	£	£	£	£	£
The Green Hut	-	-	-	-	-	-
Pant Well Monument	52	-	52	-	-	-
Victoria Park Pavilion Site	134	-	134	-	-	-
Selkirk Golf Course	-	-	-	-	-	-
South Common Farm	1,101	4,000	(2,899)	2,000	2,000	2,000
Smedheugh Farm	9,112	8,738	374	2,000	2,000	2,000
Selkirk Hill Grazings	10,000	10,000	-	10,000	10,000	10,000
Linglie Farm	12,893	21,330	(8,437)	65,000	2,000	2,000
26 Market Place	2,256	2,154	102	750	750	750
28 Market Place	(1,058)	-	(1,058)	750	750	750
Selkirk Town Hall	(80)	-	(80)	-	-	-
Smedheugh Farm Shootings	-	-	-	-	-	-
Linglie Mast Site	-	-	-	-	-	-
South Common Farm Shootings	-	-	-	-	-	-
General Expenditure	1,071	3,013	(1,942)	5,000	5,000	5,000
TOTAL	35,481	49,235	(13,754)	85,500	22,500	22,500
Capital expenditure						
Linglie Farm	176,670	176,670	-	-	-	-
TOTAL	176,670	176,670	-	-	-	-
TOTAL	212,151	225,905	(13,754)	85,500	22,500	22,500

**SELKIRK COMMON GOOD FUND
PROPERTY PORTFOLIO
INCOME & EXPENDITURE BY PROPERTY as at 31 March 2025**

APPENDIX 4

Property	Actuals 2024/25	Forecast Outturn	Variance	Budget 2025/26	Forecast 2026/27	Forecast 2027/28
General	£	£	£	£	£	£
The Green Hut	(2,350)	(2,350)	-	(2,350)	(2,350)	(2,350)
Pant Well Monument	52	-	52	-	-	-
Victoria Park Pavilion Site	(66)	(200)	134	(200)	(200)	(200)
Selkirk Golf Course	(10)	(10)	-	(10)	(10)	(10)
South Common Farm (Farm £9,100 and Shed £500)	(8,399)	(5,500)	(2,899)	(7,500)	(7,500)	(7,500)
Smedheugh Farm	(14,388)	(14,762)	-	(21,500)	(21,500)	(21,500)
Selkirk Hill Grazings	9,590	9,590	-	9,590	9,590	9,590
Linglie Farm	8,087	10,330	(2,243)	20,500	(50,000)	(50,000)
26 Market Place	(893)	(2,796)	1,903	(4,650)	(4,650)	(4,650)
28 Market Place	(7,058)	(6,000)	(1,058)	(5,250)	(5,250)	(5,250)
Selkirk Town Hall	(80)	-	(80)	-	-	-
Smedheugh Farm Shootings	(200)	(200)	-	(200)	(200)	(200)
Linglie Mast Site	(10,311)	(10,311)	-	(10,311)	(10,311)	(10,311)
South Common Farm Shootings	(200)	(200)	-	(200)	(200)	(200)
General Expenditure	1,071	3,013	(1,942)	5,000	5,000	5,000
TOTAL (SURPLUS)/DEFICIT ON PROPERTY ASSETS	(25,155)	(19,396)	(6,133)	(17,081)	(87,581)	(87,581)

SELKIRK COMMON GOOD FUND**APPENDIX 5****GRANT BUDGET as at 31 March 2025**

	Actuals	Outturn	Outturn	Outturn
	2024/25	2023/24	2022/23	2021/22
	£	£	£	£
Paid				
Interest Link Borders	2,500	-	2,500	-
Scotts Selkirk/ Green Hut Notional Rent	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
Underspend available for allocation in 2025/26	4,550			
	9,400	4,198	16,845	9,850

INVESTMENTS EXTERNALLY MANAGED as at 31 March 2025

Investment Income	Actuals 2024/25	Forecast Outturn	Variance	Budget 2025/26	Forecast 2026/27	Forecast 2027/28
	£	£	£	£	£	£
Dividends received	13,903	11,950	1,953	11,960	11,965	11,970

Received 2024/25	£	Income return
2023/24	13,903	5.82%
2022/23	15,471	6.43%
2021/22	12,359	5.41%
	12,255	4.72%

Investments	Units	Cost of Investments £	Value of Investments £	Unrealised Gain/(Loss) £	Capital return %
At 31.03.25	239,148	259,299	238,933	(20,366)	(7.85)
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 31.03.25 the Net Asset Value (NAV) quoted for the fund was 0.9991 (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.