

Report

Report to:	Clydesdale Area Committee
Date of Meeting:	14 February 2024
Report by:	Chief Executive

Subject:	Common Good Update Report
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ♦ provide background information and an update on the Lanark and Biggar Common Good funds

2. Recommendation(s)

2.1. The Committee is asked to approve the following recommendation(s):-

- (1) that the background information and update on Lanark and Biggar Common Good funds, be noted.

3. Background

- 3.1. The Common Good is a fund of money or assets or both and is administered by a Scottish local authority in respect of each former burgh within the area of the local authority.
- 3.2. Common Good property is owned by the local authority although it is administered separately from other local authority assets for accounting purposes. Ownership is absolute in the strict sense that the authority holds legal title to it. However, what the authority can do with the asset is subject to a system of statutory control. This control has the potential to limit the extent to which the authority can dispose of or deal with the asset and on what terms.
- 3.3. The Common Good funds held within South Lanarkshire Council are Lanark, Biggar, Hamilton and Rutherglen. The Biggar Common Good Account holds cash balances only. It does not hold physical assets. The Lanark Common Good Account holds a number of properties. A proactive approach to maintenance supports the viability of these assets and reduces the risk to greater liability in the future.
- 3.4. The Council's Finance and Corporate Resources Committee, at its meeting on 2 October 2013, approved an annual cyclical maintenance plan of £15,000 for Lanark Common Good properties. The Executive Director (Finance and Corporate Resources) has delegated authority to approve maintenance work up to the value of £15,000 for each fund. If inspections highlight requirements to undertake investment which would be beyond routine maintenance, this will be considered separately for approval and will be the subject of a report to the Finance and Corporate Resources Committee.

- 3.5. On 19 February 2008, Finance and Information Technology Committee approved an annual contribution of up to £2,500 towards the cost of maintaining the St Nicholas Church Tower.
- 3.6. This report will provide details of the management and administration of the Common Good funds (sections 4 and 5).
- 3.7. Accounts for the Common Good are prepared on an annual basis, as part of the Council's year end process. The position for the year ended 31 March 2023 is detailed in section 6.
- 3.8. An up-to-date position, including planned maintenance and committed projects, is included in section 7 for Lanark and section 8 for Biggar. Information on consultations on Common Good assets is provided at section 9.

4. Administration of Common Good

- 4.1. Finance Services administers the Common Good Account. This includes revenue monitoring, preparation of annual accounts and seeking Committee approval for expenditure to be incurred on various projects as and when they are required.
- 4.2. If any proposals for common good spend are considered to benefit the local community in Lanark or Biggar, and the level of funding required is feasible, then Finance Services will seek approval from the Finance and Corporate Resources Committee.
- 4.3. A Common Good Update report is presented to the Finance and Corporate Resources Committee at least twice a year.

5. Role of South Lanarkshire Council's Elected Members

- 5.1. Decisions on the Common Good Accounts are considered by the Council's Finance and Corporate Resources Committee. Elected Members are kept up to date with any issues affecting the Common Good and are involved in the consideration of approving spend from the Account. A report on the management of the Lanark and Biggar Common Good Accounts will be provided annually to the Clydesdale Area Committee.

6. Common Good Annual Accounts 2022/2023

- 6.1. Appendix 1 to the report shows the 2022/2023 audited accounts for the Lanark and Biggar Common Good Accounts. These form part of the Council's Accounts that were approved at the Risk and Audit Scrutiny Committee on 31 October 2023.
- 6.2. The Appendix shows that as at the end of 2022/2023, the Balance Invested in South Lanarkshire Council's Loans Fund for Lanark and Biggar is £0.276 million. This is the cash that is held by the Council on behalf of the Common Good Accounts, and which is readily available to meet expenditure. Table 1 provides the details across the two Accounts at the end of 2022/2023.

Table 1 - Advances to South Lanarkshire Council Loans Fund

	Lanark	Biggar	Total
	£m	£m	£m
Balance at end 2022/2023	0.251	0.025	0.276

7. Lanark Common Good Fund

- 7.1. **2022/2023 Year-end position:** The Lanark Common Good Account holds both assets and funds. As noted in section 6.2, (and Appendix 1) the balance invested in South Lanarkshire Council's Loans Fund (cash balances available to spend) is £0.251 million and is the Lanark Common Good Account investment balance.
- 7.2. As well as cash balances, the Lanark Common Good Account also holds assets. These are detailed in Appendix 2.
- 7.3. Expenditure is incurred on the upkeep of Lanark Common Good Assets and cash balances available can be considered for spend on specific projects. Income is generated from rent of particular assets. A summary of the Income and Expenditure for 2022/2023 is shown in Table 2.

Table 2 - Lanark Common Good - Income and Expenditure 2022/2023

	£000
Income	
Rental Income from various properties	70
Capital Funding (Section 7.4)	23
Interest Received	4
Total Income	97
Expenditure	
Property Costs	2
Legal Expenses	12
Administration of Common Good Account	2
Payments to Other Bodies (Section 7.4)	23
Depreciation and Revaluation Losses	14
Total Expenditure	54
Net Surplus for Year	43

- 7.4. The Payments to Other Bodies costs incurred during 2022/2023 was for 2 projects: car park works at 43 High Street (£0.006 million); Lanark Shed Masterplan (£0.017 million). Both projects were funded from a contribution of capital funding from South Lanarkshire Council.
- 7.5. **Lanark Repairs and Maintenance Budget – Planned Maintenance 2023/2024:** As noted in 3.4. an annual budget of £15,000 is available for the maintenance of Common Good properties in Lanark. As at the last report to Finance and Corporate Resources Committee (6 December 2023), there are no commitments against this budget.
- 7.6. **Lanark Committed Projects – St Nicholas Church Tower:** As noted in section 3.5, Finance and Information Technology Committee approved an annual contribution of up to £2,500 will be made towards the cost of maintaining the tower. This earmarked budget has not been utilised in recent years. The Finance and Corporate Resources Committee on 6 December 2023 approved that the Common Good contribution to the cost of a conservation accredited architect to identify the areas requiring repair, estimated at around £5,000, will be met from the unused allocation from the past 2 years. Local Members and the Community Council have been advised of this proposal.

8. Biggar Common Good Fund

- 8.1. **2022/2023 Year-end position:** The Biggar Common Good Account holds cash balances only. As noted in section 6.2, (and Appendix 1), the balance invested in South Lanarkshire Council's Loans Fund (cash balances available to spend) is £0.025 million and is the Biggar Common Good Account investment balance.
- 8.2. There is little expenditure incurred by the Biggar Common Good Account. The net expenditure during 2022/2023, was a charge for the administration of the Account (£217) offset by income received from the Account's balance being invested in South Lanarkshire Council's Loans Fund (£416).
- 8.3. **Biggar Committed Projects:** There are no projects to note.

9. Consultation on Common Good Assets

- 9.1. **New Lease Arrangements:** There are currently no consultations on new lease arrangements.
- 9.2. **Change of Use:** There are currently no consultations on change of use.

10. Employee Implications

- 10.1. None

11. Financial Implications

- 11.1. Financial details on the Lanark and Biggar Common Good Accounts are detailed in sections 6 to 8 of the report.

12. Climate Change, Sustainability and Environmental Implications

- 12.1. There are no implications for climate change, sustainability or the environment in terms of the information contained in this report.

13. Other Implications

- 13.1. The ongoing repairs and maintenance support the viability of Common Good assets and reduces the Council's risk to increased liabilities in the future.

14. Equality Impact Assessment and Consultation Arrangements

- 14.1. This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy, and therefore, no impact assessment is required.
- 14.2. There is also no requirement to undertake any consultation in terms of the information contained in this report.

Paul Manning
Chief Executive

10 January 2024

Link(s) to Council Values/Priorities/Outcomes

- ♦ Accountable, effective, efficient and transparent

Previous References

- ◆ Clydesdale Area Committee, 12 October 2022

List of Background Papers

- ◆ Finance and Corporate Resources Committee, 6 December 2023

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:-

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Appendix 1

2021/2022 Annual Accounts	Lanark	Biggar
	£000	£000
Income and Expenditure Accounts		
Income for the Year	97	-
Expenditure for the Year	(54)	-
Surplus / (Deficit) to the Balance Sheet	43	-
Balance Sheet		
Fixed Assets		
Property, Plant and Equipment	1,463	-
Investments		
Advances to South Lanarkshire Council Loans Fund	251	25
Total Assets	1,714	25
Current Liabilities		
Creditors	(4)	-
Total Assets less Current Liabilities	1,710	25
Represented By:		
Common Good Account	1,168	25
Surplus / (Deficit)	43	-
Amortisation of Revaluation Reserve	3	-
Gain / Loss on Disposal of Fixed Assets	-	-
	1,214	25
Revaluation Reserve		
Opening Balance	492	-
Gain / Loss on Revaluation	7	-
Amortisation of Revaluation Reserve	(3)	-
Closing Balance	496	-
Total	1,710	25

Lanark Common Good Assets

Asset Name	Address
13 Delves Road	13 Delves Road, Lanark, ML119DU
43 High Street	43 High Street, Lanark, ML117LU
Castlehill Bowling Green	Castlegate, Lanark, ML119EF
Tolbooth	High Street, Lanark, ML117EX
Lanark Moor Country Park	Hyndford Road, Lanark, ML119TA
Lanark Race Course	Hyndford Road, Lanark, ML119TA
St Nicholas Church Tower	High Street, Lanark, ML11
Moorpark Stadium	Hyndford Road, Lanark, ML119BG
Melvinhall Park	Cleghorn Road, Lanark, ML11
Lanark Loch Equestrian Centre	Hyndford Road, Lanark, ML11 9TA
Braxfield Land And Plantation	Braxfield Terrace, Lanark, ML119BZ
Castlegate Car Park North	Castlegate, Lanark, ML119E
Castlegate Car Park South	Castlegate, Lanark, ML119D
Castlehill Car Park	Castlegate, Lanark, ML119EF
Newmains Farm/Former	Whitelees Road, Lanark, ML11
Lanark Gc Machine Sheds	Whitelees Road, Lanark, ML11 7RX
Smyllum Park Grazings	Smyllum Crossing, Lanark, ML117RY
Car Park	Portland Place, Lanark, ML117L
Lanark Loch Land & Plantations	Whitelees Road, Lanark, ML11 7RX
Springbank Farm	Lanark, ML118SG
Railway Solum	Whitelees Road, Lanark, ML11
Newmains And Bottomlees	Lanark, ML11
Tote Building	Hyndford Road, Lanark, ML11