

Report

Report to:	Clydesdale Area Committee
Date of Meeting:	12 October 2022
Report by:	Executive Director (Finance and Corporate Resources)

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 (FCR) 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. This report will provide details of the management and administration of the Common Good funds (sections 4 and 5).
- 3.6. 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 2022 is detailed in section 6.
- 3.7. 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 FCR Committee.
- 4.3. A Common Good Update report is presented to the FCR Committee at least twice a year. Specifically, a report in August/September will update Committee on the annual accounts of all Common Good Funds.

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 2021/2022

- 6.1. Appendix 1 to the report shows the 2021/2022 unaudited 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 22 June 2022.
- 6.2. The Appendix shows that as at the end of 2021/2022, the Balance Invested in South Lanarkshire Council's Loans Fund for Lanark and Biggar is £0.215 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 2021/2022.

Table 1 - Advances to South Lanarkshire Council Loans Fund

	Lanark	Biggar	Total
	£m	£m	£m
Balance at end 2021/2022	0.191	0.024	0.215

7. Lanark Common Good Fund

- 7.1. **2021/2022 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 £0.191 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 2021/2022 is shown in Table 2.

Table 2 - Lanark Common Good - Income and Expenditure 2021/2022

	£000
Income	
Rental Income from various properties	14
Total Income	14
Expenditure	
Property Costs	1
Repairs and Maintenance (Section 7.4)	11
Legal Expenses	9
Administration of Common Good Account	3
Payments to Other Bodies (Section 7.5)	132
Depreciation and Revaluation Losses	53
Total Expenditure	209
Net Deficit for Year	(195)

- 7.4. The cost of Repairs and Maintenance incurred during 2021/2022 was for a repair at the Tolbooth Building (£0.011m).
- 7.5. The Payments to Other Bodies costs incurred during 2021/2022 was for a number of projects: the Lanark Loch Pipe repair, remaining footpath works and reconstruction of the gabion baskets at Lanark Loch (£0.088m); health and safety repairs at the Tote building at Lanark Racecourse (£0.041m); and a contribution to the Lanark Community Development Trust for the Clydesdale Horse sculpture (£0.003m).
- 7.6. **Lanark Repairs and Maintenance Budget – Planned Maintenance 2022/2023:** As noted in 3.4. an annual budget of £15,000 is available for the maintenance of Common Good properties in Lanark. For 2022/2023, £450 has been set aside for a repair to the leadwork on the flat roof at the Tolbooth. This leaves a remaining budget of £14,550.
- 7.7. **Lanark Committed Projects:** There are no projects to note.

8. **Biggar Common Good Fund**

8.1. **2021/2022 Year-end position:** The Biggar Common Good Account holds cash balances only. It does not hold any physical assets. 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 £0.024 million and is the Biggar Common Good Account investment balance.

8.2. A summary of the Income and Expenditure for 2021/2022 is shown in Table 3.

Table 3 - Biggar Common Good - Income and Expenditure 2021/2022

	£000
Income	0
Expenditure	
Payments to Other Bodies	8
Total Expenditure	8
Net Deficit for Year	(8)

8.3. Since there are no assets to maintain, there is little expenditure incurred by the Biggar Common Good Account. However, during 2021/2022, Biggar Common Good provided funding for lighting units on the path between Campsie's Garage on Coulter Road and the Boghall Estate (£0.008m). This work was completed during 2021/2022. A charge for the administration of the Fund was incurred in 2021/2022 (£259). There are no assets to generate rental income, and the only income received is from the fund balance being invested by South Lanarkshire Council (£13).

8.4. **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.

9.3. **Lanimer Shed and Rural Development Centre at Lanark Racecourse:** A report was presented to the Community and Enterprise Resources Committee on 9 August 2022 on a proposal to create a Lanimer Shed and Rural Development Centre at Lanark Racecourse. A copy of the report can be found at the following link:-

[Community and Enterprise Resources Committee Report](#)

9.4. The project will be funded from the Scottish Government's Regeneration Capital Grant Fund (RCGF) and will result in the creation of assets which would be held in the Lanark Common Good Account.

9.5. Discussions are ongoing with the potential tenants, the Lanark Lanimer Committee and Healthy Valleys. Draft lease terms have been sent out to both organisations, however, there is currently no formal legal agreement for them to take up occupancy of the buildings.

- 9.6. Full market rent is estimated at £16,000 for the Lanimer Shed and £12,000 for the Rural Business Centre, however, both organisations are community groups and so consideration will be made to the rental being discounted by applying a concession. The rent concession would be calculated using the Council's model used for Community Asset Transfers.
- 9.7. Maintenance costs, both external and internal for the Lanimer Shed and Rural Development Centre will be met by the Tenants under the terms of their leases.
- 9.8. If either of the properties is vacated, they would be relet on commercial terms, however, the Lanark Common Good Account would be liable for any costs associated with the vacant property. As these buildings are being built with the intention of these being leased out, a financial liability to the Common Good would only arise should these tenants leave. Therefore, at this point there should be no financial implications for the Common Good Account.
- 9.9. Section 104 of the Community Empowerment (Scotland) Act 2015 requires a local authority which is considering a disposal or change of use in respect of property held as part of the common good to publish details of the proposed disposal or change of use and to invite representations from community councils, community bodies and any other persons.
- 9.10. The consultation in respect of the proposal to create a Lanimer Shed and Rural Development Centre at Lanark Racecourse was published on 19 July 2022 and closed on 14 September 2022. Details of the consultation were e-mailed to members of the Finance and Corporate Resources Committee and the local members for Lanark on the 15 July 2022 and can be found at the following link:-

[Lanark RC Site CG Notice](#)

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. As noted in section 9.8, there should be no financial implications arising from the proposal to create a Lanimer Shed and Rural development centre.

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
Executive Director (Finance and Corporate Resources)

27 September 2022

Link(s) to Council Values/Priorities/Outcomes

- ◆ Accountable, effective, efficient and transparent

Previous References

- ◆ Clydesdale Area Committee - Common Good Update Report, 7 September 2021

List of Background Papers

- ◆ Finance and Corporate Resources Committee, 7 September 2022

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	14	-
Expenditure for the Year	(209)	(8)
Surplus / (Deficit) to the Balance Sheet	(195)	(8)
Balance Sheet		
Fixed Assets		
Property, Plant and Equipment	1,470	-
Investments		
Advances to South Lanarkshire Council Loans Fund	191	24
Total Assets	1,661	24
Current Liabilities		
Creditors	(2)	-
Total Assets less Current Liabilities	1,659	24
Represented By:		
Common Good Account	1,360	32
Surplus / (Deficit)	(195)	(8)
Amortisation of Revaluation Reserve	4	-
Gain / Loss on Disposal of Fixed Assets	-	-
	1,169	24
Revaluation Reserve		
Opening Balance	470	-
Gain / Loss on Revaluation	24	-
Amortisation of Revaluation Reserve	(4)	-
Closing Balance	490	-
Total	1,659	24

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