

Report

Report to:	Clydesdale Area Committee
Date of Meeting:	7 September 2021
Report by:	Executive Director (Finance and Corporate Resources)

Subject:	Common Good Update
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ provide background information and 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. Accounts are prepared on an annual basis, as part of the Council's year end process. The position for the year ended 31 March 2021 is detailed in section 6.
- 3.4. 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.

3.5. 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 FCR Committee.

3.6. This report will provide details of the management of the Common Good funds (Section 4 and 5). In addition to the accounts position covered in section 6, this report will provide an up-to-date position for Lanark, including planned maintenance (Section 7 and 8) and Biggar (section 10). It will also provide an update on committed projects for Lanark (Section 9) and Biggar (Section 11). An update on consultations on Common Good assets is provided at section 12.

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. A report in August/September time 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 Common Good fund will be provided annually to the Clydesdale Area Committee.

6. Common Good Annual Accounts 2020/2021

6.1. Appendix 1 to the report shows the unaudited accounts for 2020/2021 for the Lanark Biggar Common Good Funds. These form part of the Council's accounts that were approved at the Risk and Audit Scrutiny Committee on 22 June 2021.

6.2. The Appendix shows that as at the end of 2020/2021, the Balance Invested in South Lanarkshire Council's Loans Fund for Lanark and Biggar is £0.365 million. This is the cash that is held by the Council on behalf of the Common Good funds, and which is readily available to meet expenditure. Table 1 provides the details across the Funds.

Table 1 - Advances to South Lanarkshire Council Loans Fund

Fund	Lanark	Biggar	Total
	£m	£m	£m
Balance	0.333	0.032	0.365

- 6.3. It should be noted that there are commitments against the funds of Lanark and Biggar including those covered at sections 8 to 11.

7. Lanark Common Good Fund

- 7.1. The Lanark Common Good Account holds both assets and funds.
- 7.2. Appendix 2 to the report lists the assets held for Lanark Common Good Account.
- 7.3. The unaudited annual accounts statement for 2020/2021 (Appendix 1) shows that the balance invested in South Lanarkshire Council's Loans Fund (cash balances available to spend) is £0.333 million and is the Lanark Common Good Account investment balance.
- 7.4. Expenditure is incurred on the upkeep of Lanark Common Good Assets and funds can be considered for specific projects. Income is generated from rent of particular assets. A summary of the Income and Expenditure for 2020/2021 is shown in Table 2 below.

7.5. Table 2 - Lanark Common Good - Income and Expenditure 2020/2021

	£000
Income	
Rental Income from various properties	13
Interest Received on Cash Balances	1
Total Income	14
Expenditure	
Property Costs	2
Repairs and Maintenance	4
Depreciation	16
Total Expenditure	22
Net Deficit for Year	(8)

- 7.6. The repairs and maintenance costs incurred during 2020/2021 were for the Tote Building at Lanark racecourse (£0.003m) and replacement of lighting units at Lanark Racecourse car par (£0.001m).

8. Lanark Repairs and Maintenance Budget – Planned Maintenance 2021/2022

- 8.1. As noted in 3.6. an annual budget of £15,000 is available for the maintenance of Common Good properties in Lanark. For 2021/2022, £10,180 has been set aside to carry out remedial works for dampness at Lanark Tolbooth, with work expected to commence in September 2021. This leaves a remaining budget of £4,820.

9. Lanark Committed Projects

- 9.1. **Lanark Loch Pipe Repair:** As previously reported to the FCR Committee, a contract to repair the pipe, reconstruct the gabion baskets and carry out the remaining footpath works was awarded. The projected completed in April, at a total cost of £107,052.

9.2. The Finance and Corporate Resources Committee had previously approved budgets for the reconstruction of the gabion baskets and the remaining footpath repairs totalling £68,894. These budgets have been allocated against the overall project which leaves a balance of £38,158 for the pipe repair to be funded equally from the Lanark Common Good and the Council's Property Investment Fund as agreed by this committee on 19 August 2020.

9.3. **Tote Building, Lanark Racecourse:** In order to prevent the Tote building becoming structurally unsound and to remove health and safety risks, a number of repairs had to be carried out. Total approved funding for this project was £43,691. The project is now complete, and the final costs of £46,266 will be met from the Lanark Common Good Fund.

10. Biggar Common Good Fund

10.1. The Biggar Common Good Account holds cash balances only. It does not hold any physical assets.

10.2. The unaudited annual accounts statement for 2020/2021 (Appendix 1) shows that the balance invested in South Lanarkshire Council's Loans Fund (cash balances available to spend) is £0.032 million and is the Biggar Common Good Account investment balance.

10.3. Since there are no assets to maintain, there is little expenditure incurred from the Biggar Common Good fund. There was no expenditure during 2020/2021. There are no assets to generate rental income, and the only income received is from the fund balance being invested by South Lanarkshire Council (£46). Therefore, the cash balance does not increase significantly year on year.

11. Biggar Committed Projects

11.1. Funding for lighting units was approved by Finance and Corporate Resources Committee in June 2021, at a cost of £8,000. The works on the path between Campsie's Garage on Coulter Road and the Boghall Estate should commence late summer. It is expected that the costs will be charged during 2021/2022.

12. Consultation on Common Good

12.1. **New Lease Arrangements:** There are currently no consultations on new lease arrangements.

12.2. **Change of Use:** There are currently no consultations on change of use

13. Employee Implications

13.1. None.

14. Financial Implications

14.1. All costs identified will be met from the Common Good funds held within Lanark and Biggar.

15. Climate Change, Sustainability and Environmental Implications

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

16. Other Implications

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

17. Equality Impact Assessment and Consultation Arrangements

- 17.1. 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.
- 17.2. 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)

12 August 2021

Link(s) to Council Values/Ambitions/Objectives

- ◆ Accountable, effective, efficient and transparent

Previous References

- ◆ None

List of Background Papers

- ◆ Finance and Corporate Resources Committee, 1 September 2021

Contact for Further Information

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

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2020/2021 Annual Accounts	Lanark £000	Biggar £000
Income and Expenditure Accounts		
Income for the Year	14	-
Expenditure for the Year	(22)	-
Surplus / (Deficit) to the Balance Sheet	(8)	-
Balance Sheet		
Fixed Assets		
Property, Plant and Equipment	1,500	-
Investments		
Advances to South Lanarkshire Council Loans Fund	333	32
Debtors	-	-
Total Assets	1,833	32
Current Liabilities		
Creditors	(3)	-
Total Assets less Current Liabilities	1,830	32
Represented By:		
Common Good Account	1,364	32
Surplus / (Deficit)	(8)	-
Amortisation of Revaluation Reserve	4	-
Gain / Loss on Revaluation	-	-
	1,360	32
Revaluation Reserve		
Opening Balance	469	-
Gain / Loss on Revaluation	5	-
Amortisation of Revaluation Reserve	(4)	-
Closing Balance	470	-
Total	1,830	32

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
TOLLBOOTH	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