

Report

Report to:	Finance and Corporate Resources Committee
Date of Meeting:	7 September 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:-

- ◆ advise members of the Common Good Accounts for the year ended 31 March 2022
- ◆ provide an update on the cyclical spend currently committed against the Common Good Repairs and Maintenance budgets for both Lanark and Hamilton
- ◆ provide an update on projects currently committed from the Common Good budgets for Lanark, Hamilton and Biggar
- ◆ provide details of consultations relating to the Common Good

2. Recommendation(s)

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

- (1) that the accounts for Common Good for the year ended 31 March 2022 (section 4), be noted;
- (2) that the cyclical spend committed against the Common Good Repairs and Maintenance budgets for Lanark (section 5) and Hamilton (section 6), be noted; and
- (3) that the proposal to create a Lanimer Shed and Rural Development Centre at Lanark Racecourse be noted (section 7).

3. Background

- 3.1. The Common Good is a fund of money / assets 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 administered separately from other local authority assets for accounting purposes. What the authority can do with the assets 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 2022 is detailed in section 4.
- 3.4. The Common Good Accounts in Lanark and Hamilton hold 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 Finance and Corporate Resources Committee, at its meeting on 2 October 2013, approved an annual cyclical maintenance plan of £15,000 for both Lanark and Hamilton 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 this Committee.
- 3.6. In addition to the accounts position covered in section 4, this report will provide an up-to-date position on the planned maintenance for both Lanark (Section 5) and Hamilton Common Good (Section 6).
- 3.7. Finally the report will provide information on a proposal to create a Lanimer Shed and Rural Development Centre at Lanark Racecourse (Section 7).

4. Common Good Annual Accounts 2021/2022

- 4.1. Appendix 1 to the report shows the unaudited accounts for 2021/2022. These form part of the Council's accounts that were approved at the Risk and Audit Scrutiny Committee on 22 June 2022. The accounts show the income and expenditure made against common good in the last year.
- 4.2. The Appendix shows that as at the end of 2021/2022, the Balance Invested in South Lanarkshire Council's Loans Fund is £0.754 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	Hamilton	Rutherglen	Total
	£m	£m	£m	£m	£m
Balance	0.191	0.024	0.412	0.127	0.754

5. Lanark Repairs and Maintenance Budget – Planned Maintenance 2022/2023

- 5.1. As noted in 3.5. an annual budget of £15,000 is available for the maintenance of Common Good properties in Lanark. There is one commitment of against the Repairs and Maintenance budget (£15,000) for 2022/2023 of £450 for a repair to the leadwork on the flat roof at the Tollbooth.

6. Hamilton Repairs and Maintenance Budget – Planned Maintenance 2022/2023

- 6.1. Again, as noted in 3.5. an annual budget of £15,000 is also available for the maintenance of Common Good properties in Hamilton. There are commitments of approximately £3,000 for projects relating to the Hamilton Town Centre Action Plan.

7. Lanimer Shed and Rural Development Centre at Lanark Racecourse

- 7.1. 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](#)

- 7.2. The project would be funded from the Scottish Government's Regeneration Capital Grant Fund (RCGF) and would result in the creation of assets which would be held in the Lanark Common Good Fund.
- 7.3. Discussions are ongoing with the potential tenants; 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.
- 7.4. 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 would 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.
- 7.5. 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.
- 7.6. If either of the properties is vacated, they would be relet on commercial terms, however, the Lanark Common Good Fund 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.
- 7.7. 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.
- 7.8. 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 closes on 14 September 2022. Details of the consultation were e-mailed to members of this 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](#)

8. Employee Implications

- 8.1. None

9. Financial Implications

- 9.1. All costs identified will be met from the Common Good funds held within Lanark and Hamilton with the exception of the Lanimer Shed and Rural Development Centre which will be funded from the RCGF.

10. Climate Change, Sustainability and Environmental Implications

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

11. Other Implications

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

12. Equality Impact Assessment and Consultation Arrangements

- 12.1. 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.
- 12.2. 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)

16 August 2022

Link(s) to Council Values/Priorities/Outcomes

- ◆ Accountable, effective, efficient and transparent

Previous References

- ◆ None

List of Background Papers

- ◆ None

Contact for Further Information

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

Jackie Taylor, Head of Finance

Ext: 5637 (Tel: 01698 455637)

E-mail: jackie.taylor@southlanarkshire.gov.uk

Appendix 1

2020/2021 Annual Accounts	Lanark	Biggar	Hamilton	Rutherglen	Total
	£000	£000	£000	£000	£000
Income and Expenditure Accounts					
Income for the Year	14	-	141	-	155
Expenditure for the Year	(209)	(8)	(42)	(1)	(260)
Surplus / (Deficit) to the Balance Sheet	(195)	(8)	99	(1)	(105)
Balance Sheet					
Fixed Assets					
Property, Plant and Equipment	1,470	-	1,499	-	2,969
Investments					
Advances to South Lanarkshire Council Loans Fund	191	24	412	127	754
Debtors	-	-	53	-	53
Total Assets	1,661	24	1,964	127	3,776
Current Liabilities					
Creditors	(2)	-	(13)	-	(15)
Total Assets less Current Liabilities	1,659	24	1,951	127	3,761
Represented By:					
Common Good Account	1,360	32	1,316	128	2,836
Surplus / (Deficit)	(195)	(8)	99	(10)	(105)
Amortisation of Revaluation Reserve	4	-	7	-	11
Gain / Loss on Revaluation	-	-	-	-	-
	1,169	24	1,422	127	2,742
Revaluation Reserve					
Opening Balance	470	-	536	-	1,006
Gain / Loss on Revaluation	24	-	-	-	24
Amortisation of Revaluation Reserve	(4)	-	(7)	-	(11)
Closing Balance	490	-	529	-	1,019
Total	1,659	24	1,951	127	3,761