

ADDITIONAL STATEMENT BY MARY E MACKENZIE IN SUPPORT OF PETITION 875 TO THE LOCAL GOVERNMENT AND TRANSPORT COMMITTEE FOLLOWING THE MEETINGS ON 14 AND 21 NOVEMBER 2006

As the originator of PE 875 – safeguarding heritable and moveable Common Good assets by legislation – I am grateful for the thought which members of the Petition Committee and of the Local Government and Transport Committee have given to careful questions to each Witness.

There is clear Witness consensus that Common Good assets do exist within Scottish Councils, and are currently unevenly recorded, also that there is a statutory obligation on all Councils to maintain a Common Good Fund register.

Variations in Audit Scotland's approach to the Councils' annual audits exist; some Councils do maintain Common Good Fund registers, while others claim the assets are to be found within a series of accounts.

The legal Witness states that 'ignorance about what is and what is not a Common Good asset has led to under-reporting of such assets.'

Some Councils appeared to indicate in 2005 to Witness Andy Wightman they do not hold any C.G. assets – several of this group encompass former wealthy Burghs, including Aberdeenshire Council, Comhairle nan Eilean Siar, Dundee City Council, East Dunbartonshire Council, East Renfrewshire Council, Falkirk Council, Inverclyde Council, Midlothian Council, North Lanarkshire Council, Scottish Borders Council, Shetland Islands Council, Stirling Council, while the official Common Good Fund audited accounts, recorded by Mr Wightman for the year to 31 March 2004 state total values which are surprisingly low.

Asset sales, along with 99 year or longer leases of valuable land and property are inadequately recorded, and seem to have escaped the attention of Audit Scotland in that transactions do not appear in terms of cash benefits to Common Good Funds.

The legal Witness states that 'I hope that resources are provided so that it is possible to account for everything that a Council owns, including the Common Good Fund'.....'the law could certainly be improved. Case law tends not to come to a concrete solution one way or another.'

Audit Scotland Witnesses state 'Councils are accountable for what they do.....to the people of Scotland.' 'Some assets.....are valued at historic cost, which in some cases may be nil.' 'It is certainly true that asset registers (C.G.) are not commonly promulgated (made known to the public) but each Council must have one'.....'Councils strike a balance between cost and the accurate recording of information.'.....'Each Council

already requires to have a register of its assets, including C.G. assets, in order to produce its financial statement each year.'

I am perturbed that most Councils are disinterested in recording moveable assets, which by their nature are liable to 'disappear'. Moveable assets are a hugely valuable pool of wealth and encompass valuables, such as regalia, silverware, furnishings, paintings, libraries and contents, museums, art galleries and contents, civic halls. Other than myself, no Witness has discussed moveables, in terms of the Common Good Council Funds, or in maintenance of asset registers.

Basic requirements would appear to be

- Definition of Common Good
- Legal safeguards
- Legal duties of Councils
- Records' maintenance
- Public involvement
- Long-term views of 'value for money.'

With the Committee's critical support, Petitions 875, 896, 961 open a door for Scotland's communities to benefit long into the future from Common Good Funds. Enlightened Executive action requires legislation to this end.