



The Royal Burgh of Selkirk and District Community Council

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LASAAC Consultation on Common Good Fund Accounting

Although not specific addressees of the above consultation paper on accounting arrangements, as the only body specifically and geographically representative of the beneficial owners in law of Common Good assets of the former Royal Burgh of Selkirk, we feel it incumbent upon us to make comment.

In answer to the specific questions posed in the covering letter:

1. Yes
2. Yes
3. Yes – but only insofar as CG assets consist of different categories of property. Otherwise No.
4. Yes – Comment below.

General

1. Unless by statutory alteration of the principles of inherited wealth generally, the mechanisms by which inhabitants of former Burghs inherit Common Good property should not be disturbed. The Common Good of a Burgh is for the heritable benefit of the inhabitants of that Burgh alone.
2. The principles of the 1491 Act, confirmed in the Act of Union of 1707 at Article 21, (both Acts still legally in force), are abnegated by subsequent legislation which effectively virtually denies to the beneficial owners any control over the administration of their own property. The arrangements in the Scottish Borders are such that the one elected Scottish Borders Councillor who, by virtue of residence is the only SBC Councillor who is a beneficial owner of Selkirk Common Good property, can be potentially outvoted on Selkirk CG matters by 33 to 1. The administrative arrangements should therefore be altered to involve a fair balance of input by the beneficial owners – ie. the Community.
3. Owing to pre and post 1975 shortcomings, there are glaring deficiencies in the asset registers pertaining to the Burgh of Selkirk. These deficiencies needs to be addressed, as a first step, before any determination altering accounting practice should

be considered. In other words, in our case, Scottish Borders Council should fulfil their legal obligations in this area.

Specific Comment

Besides the general comments above, we would like to associate ourselves with the comprehensive critique of this consultation paper submitted by Mr Andy Wightman.

We concur entirely with his comments.

In addition, we would add:

Under 3.16, the reference to asset registers appears to assume only fixed assets; Common Goods consist of moveable as well as fixed assets, and all manner of things besides.

3.16 is therefore misleading.

Under 4.5 to 4.9; arguments for or against specific accounting practice must take account of the basic principle that we believe the various acts quoted above in (2) were seeking to achieve.

That is, by extrapolation:

That the accounts of Common Good funds and assets belonging to a specific community, now managed and accounted for on their behalf by a local authority, must be clear and unambiguous; detailed and accurate; be complete and reflect the true value; and lastly be open and available for scrutiny by the Community who in all respects are, and should continue to be, the beneficial owners.

This concept appears to be at variance with what is proposed in either options 2 or 3 of 4.6.

Like Mr Wightman, we are not qualified accountants and our comments should therefore be interpreted with this in mind. The principle highlighted in bold above is however the core of our submission.

We have however had advice from a chartered accountant.

This submission was unanimously agreed at the Community Council Meeting of 8 October 2007.

Dr Lindsay Neil, Chairman.