

COMMITTEE:	East Lothian Council
MEETING DATE:	28 April 2026
BY:	Depute Chief Executive – Resources & Economy
REPORT TITLE:	Common Good Budget 2026/27
REPORT STATUS:	Public

1 PURPOSE OF REPORT

- 1.1 To provide an update on Common Good Funds and agree the proposed budgets for 2026/27.

2 RECOMMENDATIONS

Members are recommended to:

- 2.1 Note the ongoing financial challenges relating to the current economic climate and the risks that this presents to the Common Good Funds.
- 2.2 Approve the 2026/27 grants budget for Dunbar, Haddington, Musselburgh and North Berwick as set out in Appendices 2a–2d, noting the context for future budget development.

3 BACKGROUND

- 3.1 The Council's approved Standing Orders and Scheme of Administration states the following:
 - The Council will approve an annual budget for each Common Good areas (Dunbar, Haddington, Musselburgh, North Berwick) that will include provision for the maintenance of assets and any committed items of expenditure.
- 3.2 The Common Good Committee has authority to:

- Award a grant of up to £50,000, provided there are sufficient funds within the budget for that area.
- 3.3 Common Good investment income and funds should be used to maintain the Common Good asset base with any surplus funds being used to benefit the inhabitants of the area covered by the funds.

Budget Development

- 3.4 Council approved the Common Good budget for 2025/26 in April 2025. The budgets are updated annually, and take into consideration the following key components:
- Previous year review and updated fund balances.
 - Roll forward of indicative budgets, taking into consideration any updated assumptions relating to:
 - Projected expenditure commitments in particularly relating to ongoing repairs and maintenance of Common Good assets.
 - Projected income to the funds relating to rental income and investment income.
- 3.5 The funds have traditionally forecast to deliver a surplus, with levels of grants available to support the community set at a reasonable level to ensure the fund values could continue to meet current obligations and sustain a value of investment for future benefit.

2024/25 Financial Position

- 3.6 The accounts for 2024/25 were approved on 25 November 2025. The fund balances as at 31 March 2025 of all Common Good Funds including Cockenzie, Port Seton & Tranent remain aligned to the draft position reported to Council on 25 June 2024 and totals £9.427 million. Further detail is set out at Appendix 1 of this report.
- 3.7 The fund balances also reflect the historic cost of Common Good property assets amounting to £3.891 million. This represents the proportion of the value of property assets which the Common Good funds may direct to achieve their objectives. As previously reported to Members, some properties are inalienable and therefore their values cannot be realised through sale of assets.

Current Position and Risks

- 3.8 Council is aware that there remains a number of key risks within each of the Common Good funds and these are highlighted below:
- Place-based asset project work is ongoing and this will include the Common Good assets.
 - The fund is supported by significant levels of investment which remains subject to market conditions and subject to ongoing

discussion with treasury investment advisers. The need to ensure the ongoing viability of the investment funds remains essential to ensure the long-term benefits of the Common Good investments.

- 3.9 The draft financial position for 2025/26 for both Council and Common Good funds is currently being consolidated and the draft accounts will be issued in June 2026. The budgets have been developed based on projections for the 2025/26 financial year, and any wider commitments. Any material changes emerging from the consolidation of the draft accounts will be presented to Council.

2026/27 Budget

- 3.10 Notwithstanding the wide range of financial and ongoing risks and variables which may impact on future budgets, this must be balanced alongside the requirement for Common Good Committees to have some certainty in approved budgets, including any available budgets to consider any grant applications during 2026/27.

- 3.11 Much of these risks remain variable and the impact may not be fully understood in the immediate months ahead. Given this, it is recommended that Council approve a 2026/27 Common Good budget, which has been rolled forward from the previous approved budget, and updated with the assumptions set out in the section below:

- Based on commentary from the appointed investment managers, and current forecast market conditions, there has been no assumption to reflect an investment return during 2026/27. This position will remain under close review during the financial year and remains a key area of risk.
- Future capital investment requirements will be taken into consideration once updated asset management information is available. Each Common Good fund holds several assets, many of which require on-going investment and maintenance.

- 3.12 The draft 2026/27 budgets reflect the following elements:

- Dunbar Common Good (Appendix 2a)
 - Winterfield Golf Club have signed a lease with ELC and are now responsible for the course and clubhouse. This is offset by the reduction in rent income of £5,000 due to a 10-year rent-free period, which began in financial year 2025/26.
 - The proposed budget reflects an estimated net deficit for the year of £35,000 against an estimated fund balance of £838,000. While the deficit can be met from the overall fund balance in 2026/27, this will be kept under review to ensure that future obligations can be met and that investment levels can be sustained for future benefit.
- Haddington Common Good (Appendix 2b)

- Repairs conducted at River Tyne walkway and Tyne House parking area have now been completed, and the budget for repairs has returned to normal levels.
- Richardson Bequest monies have been transferred into the Haddington Common Good, and this funding will be utilised for the development of housing at Herdmanflat. This is in accordance with approved use at Council in August 2025. A rental income from these properties is expected to flow to the Haddington Common Good from October 2026.
- The proposed budget reflects an estimated net surplus for the year of £82,000 against an estimated fund balance of £3.279 million.
- Musselburgh Common Good (Appendix 2c)
 - Repairs to the marquee at Musselburgh Racecourse have been completed, so the repairs budget has returned to normal levels.
 - Specific grants related to the Musselburgh Festival and Silver Arrow have been approved and will total around £30,000.
 - An increase of £56,000 in rents has been factored in due to increased income expected from Musselburgh Racecourse.
 - The proposed budget reflects an estimated net deficit for the year of £154,000 against an estimated fund balance of £9.34 million. While the deficit can be met from the overall fund balance in 2026/27, this will be kept under review to ensure that future obligations can be met and that investment levels can be sustained for future benefit.
- North Berwick Common Good (Appendix 2d)
 - Increase in rental income budget of £8,000 to reflect actual income received.
 - Any surplus income from the implementation of town centre parking charges due to the North Berwick Common Good will be transferred in line with the Council's decision to implement the scheme. Future budgets will reflect any estimated net income in relation to this. The proposed budget reflects an estimated net surplus for the year of £12,000 against an estimated fund balance of £1.778 million.

3.13 Noting the points set out above, the draft budgets for 2026/2027 for each of the Common Good Funds are set out in Appendix 2a–d of this report for consideration and approval.

4 POLICY IMPLICATIONS

- 4.1 There are no direct policy implications associated with this report, although ongoing monitoring and reporting of the Council's financial performance is a key part of the approved Financial Strategy.

5 RESOURCE AND OTHER IMPLICATIONS

- 5.1 Finance: As described above
- 5.2 Human Resources: None
- 5.3 Other (e.g. Legal/IT): None
- 5.4 Risk: As described above

6 INTEGRATED IMPACT ASSESSMENT

- 6.1 **Select the statement that is appropriate to your report by placing an 'X' in the relevant box.**

An Integrated Impact Assessment screening process has been undertaken and the subject of this report does not affect the wellbeing of the community or have a significant impact on: equality and human rights; tackling socio-economic disadvantages and poverty; climate change, the environment and sustainability; the Council's role as a corporate parent; or the storage/collection of personal data.

or

The subject of this report has been through the Integrated Impact Assessment process and impacts have been identified as follows:

Subject	Impacts identified (Yes, No or N/A)
Equality and human rights	
Socio-economic disadvantage/poverty	
Climate change, the environment and sustainability	
Corporate parenting and care-experienced young people	
Storage/collection of personal data	

Subject	Impacts identified (Yes, No or N/A)
Other	

[Enter information on impacts that have been identified]

The Integrated Impact Assessment relating to this report has been published and can be accessed via the Council's website:

https://www.eastlothian.gov.uk/info/210602/equality_and_diversity/12014/integrated_impact_assessments

7 APPENDICES

7.1 Appendix 1 – Common Good Fund Balances 2024/25

7.2 Appendix 2 – Common Good Budget Proposals

8 BACKGROUND PAPERS

8.1 Council 29 April 2025 – Item 04 Common Good Budget 2025/26

8.2 Council 09 December 2025 – Item 09a Annual Audit Report

8.3 Council 26 August 2025 – Item 09 Richardson Bequest Funding, Common Good and Herdmanflat

9 AUTHOR AND APPROVAL DETAILS

Report Author(s)

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Date	

Head of Service Approval

Name	Sarah Fortune
Designation	Depute Chief Executive – Resources and Economy
Confirmation that IIA and other relevant checks (e.g. finance/legal) have been completed	Confirmed
Approval Date	15 April 2026

Appendix 1 - Common Good Fund Balances 2024/25

Actual balances as per last audited accounts for 2024/25

Fund	23/24 Fund Balance	Balance Related to Unrealised Fair Value Gains on Investments	24/45 Fund balances (Excluding Investments fair value movements)	Historic Cost of Property Assets (PPE)	24/25 Fund Balance (excluding FV Investments and Historic Cost of PPE)
<i>Balances at 31/03/2024</i>	£'000	£'000	£'000	£'000	£'000
Dunbar	896	6	890	659	231
Haddington	890	17	873	208	665
Musselburgh	10,006	693	9,313	1,408	7,905
North Berwick	1,787	40	1,747	1,120	627
TOTAL	13,579	756	12,823	3,395	9,428
Cockenzie, Port Seton & Tranent	423		423	424	-1
TOTAL COMMON GOOD FUND BALANCE	14,002	756	13,246	3,819	9,427

Appendix 2 - Common Good Budget Proposals

Consolidated Common Good Income & expenditure Budget

	Approved	Draft budgets
	Budget 2025/26 £000	Indicative Budgets 2026/27 £000
Expenditure		
Premises - Repairs & Maintenance	97	59
Premises - Rates	46	46
Supplies & Services	307	309
Grants	136	159
	0	30
Depreciation	86	95
Total Expenditure	672	698
Income		
Rents & Other Income	-298	-412
Herdmannflat Rental Income	0	-19
Investment Income (inc realised gains and losses on sale of investments) *	-2	-2
Interest/Dividend income *	-83	-172
Total Income	-383	-605
Cost of Services	289	93
Net Deficit for the year	289	93
Common Good Balance *	-13,385	-15,422
Accumulated Fund	-13,096	-15,329

Appendix 2a

Dunbar Common Good Income & expenditure Budget

	Approved	Draft budgets
	Budget 2025/26 £000	Indicative Budgets 2026/27 £000
Expenditure		
Premises - Repairs & Maintenance	5	6
Premises - Rates	0	0
Supplies & Services	4	6
Grants	4	4
Depreciation	30	35
Total Expenditure	43	51
Income		
Rents & Other Income	-14	-14
Investment Income (inc realised gains and losses on sale of investments) *	0	0
Interest/Dividend income *	-1	-2
Total Income	-15	-16
Cost of Services	28	35
Net Deficit for the year	28	35
Common Good Balance *	-901	-873
Accumulated Fund	-873	-838

* Excluding unrealised gains and losses on the fair value of investments

Appendix 2b

Haddington Common Good Income & expenditure Budget

	Approved	Draft budgets
	Budget 2025/26 £000	Indicative Budgets 2026/27 £000
Expenditure		
Premises - Repairs & Maintenance	12	3
Premises - Rates	0	0
Supplies & Services	1	1
Grants	10	20
Depreciation	0	0
Total Expenditure	23	24
Income		
Rents & Other Income	-27	-77
Herdmannflat Income	0	-19
Investment Income (inc realised gains and losses on sale of investments) *	0	0
Interest/Dividend income *	-2	-10
Total Income	-29	-106
Cost of Services	-6	-82
Net Surplus for the year	-6	-82
Common Good Balance *	-865	-3,197
Accumulated Fund	-871	-3,279

* Excluding unrealised gains and losses on the fair value of investments

Appendix 2c

Musselburgh Common Good Income & expenditure Budget

	Approved	Draft budgets
	Budget 2025/26 £000	Indicative Budgets 2026/27 £000
Expenditure		
Premises - Repairs & Maintenance	70	40
Premises - Rates	40	40
Supplies & Services	298	298
Grants	112	120
Specific Grants	0	30
Depreciation	51	51
Total Expenditure	571	579
Income		
Rents & Other Income	-219	-275
Investment Income (inc realised gains and losses on sale of investments) *	-2	-2
Interest/Dividend income *	-76	-150
Total Income	-297	-427
Cost of Services	274	152
Net Deficit for the year	274	152
Common Good Balance *	-9,860	-9,586
Accumulated Fund	-9,586	-9,434

* Excluding unrealised gains and losses on the fair value of investments

Appendix 2d

North Berwick Common Good Income & expenditure Budget

	Approved	Draft budgets
	Budget 2025/26 £000	Indicative Budgets 2026/27 £000
Expenditure		
Premises - Repairs & Maintenance	10	10
Premises - Rates	6	6
Supplies & Services	4	4
Grants	10	15
Depreciation	5	9
Total Expenditure	35	44
Income		
Rents & Other Income	-38	-46
Interest / Investment Income (inc realised gains and losses on sale of investments) *	0	0
Interest/Dividend income *	-4	-10
Total Income	-42	-56
Cost of Services	-7	-12
Net Surplus for the year	-7	-12
Common Good Balance *	-1,759	-1,766
Accumulated Fund	-1,766	-1,778

* Excluding unrealised gains and losses on the fair value of investments