

Local Government Finance

S2W-29685 - Campbell Martin (West of Scotland) (Ind) (Date Lodged 8 November 2006) : To ask the Scottish Executive what constitutes a common good asset and how such assets differ from property or land owned by a local authority.

Answered by Mr Tom McCabe (17 November 2006): The Common Good originated as revenues from properties belonging to the early Burghs of Scotland. The Common Good, as these revenues were then termed, is of great antiquity and there is no equivalent in English local government although the term remains current in Scotland. Essentially, the Common Good denoted all property of a Burgh not acquired under statutory powers or held under special trusts. Historically, the Common Good became a useful addition to the main revenues and the Local Government (Scotland) Act 1947 empowered Counties and Burghs without a Common Good fund to set up a reserve to promote the general good of the inhabitants or dignity of the Burgh.

Common good assets belonging to the Burghs of Scotland were incorporated into the new local government bodies set up under local government reform in 1975 and 1994 when the Burghs became part of District and Regional Councils and then councils.

Due to the historical, non-statutory, nature of the Common Good, views on what may constitute a common good asset, as opposed to other property or land owned by a local authority, may in particular disputed cases have to be resolved. Section 75 of the Local Government (Scotland) Act 1973 provides that if a local authority wants to dispose of land forming part of the common good, where there is a question as to the right of the council to dispose of the land, the council may apply to the Court of Session or the sheriff court to authorise the council to dispose of the land. The court have discretion to authorise disposal, subject to such conditions as they may impose. This statutory provision applies to common good land, not other land held by a council.

All local authorities are required, by the Local Government in Scotland Act 2003, to adhere to proper accounting practices and the *Code of Practice on Local Authority Accounting in the United Kingdom – Statement of Recommended Practice* requires that common good accounts should be shown separately.