

REPORT TO: TAYSIDE VALUATION JOINT BOARD – 15 JUNE 2015

**REPORT ON: UNAUDITED ANNUAL ACCOUNTS FOR THE YEAR ENDED
31 MARCH 2015**

REPORT BY: TREASURER

REPORT NO: TVJB 7 -2015

1 PURPOSE OF REPORT

The purpose of this report is to provide some additional commentary on the unaudited Annual Accounts for the year ended 31 March 2015 which is being submitted to the Board along with this report.

2 RECOMMENDATIONS

The Board is asked to:

- i. note the content of this covering report.
- ii. note the unaudited Annual Accounts which have been submitted along with this report.
- iii. note that the Treasurer will submit the Annual Accounts to the Appointed Auditor.
- iv. note that the key assumptions underpinning the Actuary's IAS 19 Retirement Benefit calculations have been reviewed and accepted by Dundee City Council as administering authority.

3 FINANCIAL IMPLICATIONS

A net underspend of £37,000 was achieved in relation to Valuation Services. An overspend of £13,000 on Additional Electoral Registration Services will be recharged to the respective councils and taken into account in calculating the return of requisition to the constituent councils in line with the decision made by the Board on 23 August 2004.. The General Reserve balance remains unchanged in 2014/2015, being £102,974 as at 31 March 2015.

4 MAIN TEXT

The relevant statutory provisions regarding the preparation of the Board's Accounts are contained in the Local Authority Accounts (Scotland) Amendment Regulations 2014.. Section 4 of these regulations requires that "... all the accounts of the local authority are made up and balanced as soon as practicable after the end of each financial year and that sufficient copies of an abstract of the said accounts for each financial year are prepared ... and submitted to the authority and to the Controller of Audit not later than 30 June in the next financial year....".

The Annual Accounts includes a detailed commentary on the figures contained therein, and it is not intended to repeat this in this covering report. It is, however, worth reiterating a few of the more salient points.

The Board approved a net Revenue Budget for 2014/2015 of £2,864,701 which was requisitioned from the three Constituent Councils. During the financial year the Board received quarterly revenue monitoring reports to keep members fully apprised as to actual spend-to-date and the projected outturn position. At its meeting on 23 August 2004, the Board agreed that the final underspend in any financial year should be returned to the Constituent Councils. The net underspend of £24,000 achieved in 2014/2015 will therefore be returned in due course.

Details of the areas of under and overspend are highlighted on page 11 of the Annual Accounts. The main variances include overspends on staff costs, supplies and services and transport costs mainly due to work related to Individual Electoral Registration and the Scottish Referendum, which is compensated for by grant income.

In addition an overspend of £8,000 on property costs was due to unanticipated repair costs in relation to Ravenswood, Forfar.

The £118,000 overspend in supplies and services relates to overspends across a number of budget heads including electoral IT licences, postage and printing of register of electors which were funded by grants in relation to Individual Electoral Registration and the Scottish Referendum.

Transport costs were £3,000 over budget due to higher than anticipated mileage claims, and an underspend of £23,000 on third party payments was due to lower than anticipated number of valuation appeal committees.

On the income side, other operating Income & Expenditure was £7,000 more than budgeted due to an increase in register sales. In addition, non-specific grant income was received from the Scottish Government - £28,000 in relation to the Scottish Referendum, and from the UK Cabinet Office - £123,000 in relation to Individual Electoral Registration. A total of £127,000 of the Individual Electoral Registration funding will be carried forward into 2015/2016.

During 2013/2014 the Board incurred £97,000 of capital expenditure on computer equipment and associated communications networking. This expenditure was funded by the three Constituent Councils and Individual Electoral Registration from the UK Cabinet Office.

Under International Accounting Standard (IAS 19) (Employee Benefits), the Board is required to include figures in the Statements of Accounts relating to the assets, liabilities, income and expenditure related to the Tayside Superannuation Fund, the pension scheme for Tayside Valuation Joint Board employees. The Actuary has estimated that the Board had a net pension liability of £5,891,000 as at 31 March 2015, and the key assumptions underpinning the Actuary's calculations have been reviewed and accepted by Dundee City Council as administering authority.

In conclusion, it can be said that the Board's procedures for monitoring and managing its financial affairs have operated successfully during 2014/2015.

Copies of the enclosed Annual Accounts will be submitted to the Board's appointed external auditor (Mr Andy Shaw, Director, KPMG) to commence his audit of the Accounts. The 2014/2015 audit process is due to be completed by no later than 30 September 2015 and the outcome of the audit will be reported back to the Board.

5 **POLICY IMPLICATIONS**

This Report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, Equality Impact Assessment and Risk Management.

There are no major issues.

6 **CONSULTATIONS**

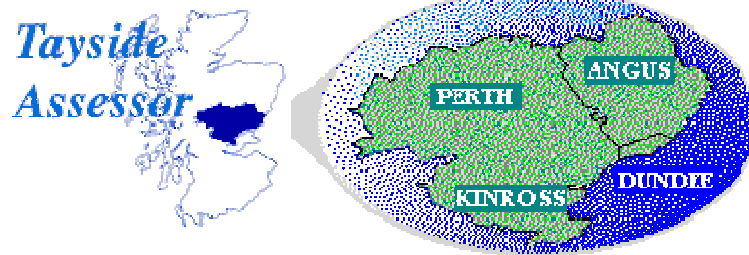
The Assessor has been consulted on the content of this report.

7 **BACKGROUND PAPERS**

None

MARJORY STEWART
TREASURER

05 JUNE 2015



TAYSIDE VALUATION JOINT BOARD

ANNUAL ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2015

UNAUDITED

JUNE 2015

TAYSIDE VALUATION JOINT BOARD

ANNUAL ACCOUNTS 2014/2015

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TAYSIDE VALUATION JOINT BOARD

MEMBERS AND OFFICIALS

Tayside Valuation Joint Board (“the Joint Board”) was established in 1996 as part of the reorganisation of local government. It took over from the Local Authorities in its area certain duties in relation to valuation for rating and council tax. The Board comprises 15 members who are appointed by the three Councils in its area. Dundee City Council nominates 6 members, Perth & Kinross Council 5 and Angus Council 4. The membership of the Board during 2014/2015 is shown below.

The Board appoints the Assessor, whose statutory duty it is to prepare the Valuation Roll and the Council Tax Valuation List. The Assessor also provides the Electoral Registration Service for Perth & Kinross Council and Angus Council. Through its Clerk and Treasurer, the Board provides the administrative framework within which the Assessor's Service operates. The Board Members provide an essential link between the Assessor, the Councils in the area and the electorate.

At the end of the financial year 2014/2015, the Members and Officials of the Board were:

Representing Dundee City Council	
Councillor David Bowes (Spokesperson) Depute Lord Provost Christina Roberts Councillor Jimmy Black Councillor John Alexander Councillor Tom Ferguson Councillor Mohammed Asif	
Representing Angus Council	
Councillor Jim Houston (Vice-Convenor) Provost Helen Oswald Councillor Bill Bowles Councillor Bob Myles	
Representing Perth and Kinross Council	
Councillor Douglas Pover Councillor Elspeth Maclachlan (Convenor) Councillor Alexander J Stewart Councillor Alistair Munro Councillor Willie Wilson	
Assessor	
Mr Alastair Kirkwood BSc, MRICS (Dip Rating), IRRV (Hons), AEA	
Clerk to the Board	
Mr Roger Mennie LLB (Hons), DipLP, Dundee City Council	
Treasurer	
Mrs Marjory Stewart, FCCA, CPFA, Dundee City Council	

TAYSIDE VALUATION JOINT BOARD

CONTACT DETAILS

The Assessor & Depute Assessor can be contacted at:

Tayside Valuation Joint Board
Whitehall House
35 Yeaman Shore
DUNDEE DD1 4BU
Tel: 01382 315602
Fax: 01382 315600



For properties in Angus Council Area, contact:

The Assistant Assessor
Tayside Valuation Joint Board
Ravenswood
New Road
FORFAR DD8 2ZA
Tel: 01307 462416
Fax: 01307 468631

Email: angus@tayside-vjb.gov.uk



For properties in Perth & Kinross Council Area, contact:

The Assistant Assessor
Tayside Valuation Joint Board
Robertson House
Whitefriars Crescent
PERTH PH2 0LG
Tel: 01738 630303
Fax: 01738 639753

Email: perth@tayside-vjb.gov.uk



For properties in Dundee City Council Area, contact:

The Assistant Assessor
Tayside Valuation Joint Board
Whitehall House
35 Yeaman Shore
DUNDEE DD1 4BU
Tel: 01382 221177
Fax: 01382 315600

Email: dundee@tayside-vjb.gov.uk



The Valuation Board's website address is: www.tayside-vjb.gov.uk

The Scottish Assessors website address is: www.saa.gov.uk

TAYSIDE VALUATION JOINT BOARD

MANAGEMENT COMMENTARY - ASSESSOR'S REPORT

INTRODUCTION

This report outlines the various matters addressed by the Board during Financial Year 2014/15. In addition, it gives a background to the service provided by the Assessor and ERO, together with details of specific developments within each of the three core functions undertaken by the Board through the Assessor.

MATTERS CONSIDERED BY THE BOARD

The first Board meeting of the financial year was held on 16 June 2014. At this meeting, the Board approved the Assessor's Report and updated Corporate and Service Plans for 2013 to 2016. The Board noted the contents of the Annual Report on Risk Management and Business Continuity arrangements and three Internal Audits Reports covering: Follow-Up Reviews 2013/14, Payroll & HR/Recruitment/Staff Performance & Development and Corporate Governance & Control Environment. A report was also submitted to update the Board on a number of changes required in connection with the Implementation of Individual Electoral Registration in Scotland. The Board approved a Report detailing the outcome of the tendering process in respect of the Production of Electoral Letters and Forms and a further Report on the introduction of a Childcare Voucher Scheme for Tayside Valuation Joint Board employees.

At a meeting in August the Board approved the Assessor's Report on [Annual Public Performance](#), which provided information in relation to the Assessor's statutory functions and associated details including performance, staffing, budget and customer satisfaction. The Board noted the contents of two Internal Audit Reports covering the Provision of Internal Audit Services for 2013/14 and the Annual Plan for 2014/15. The Assessor's Annual Report on Health & Safety, which indicated that matters continued to be monitored effectively and that no incidents had arisen during the year, was noted. A Report detailing the outcome of a review of the Contract Car Hire Scheme was approved by the Board subject to the inclusion of vehicles utilising alternative methods of fuel such as Liquid Petroleum Gas and electric cars. A report on the Implementation of Inland Revenue Authorised Mileage Rates was also approved together with amendments to the Scheme of Flexible Working Hours.

In November the Board noted the contents of an Internal Audit Report on Non Domestic Rates 2014/15. Two Reports giving updates on Electoral Registration in respect of the Scottish Independence Referendum and Individual Electoral Registration were noted by the Board. The Board also approved a Report in respect of a Policy and Procedure for Dealing with Concerns at Work (Whistle Blowing).

In January 2015 the Provisional Revenue Budget for 2015/2016 and the updated Capital Expenditure Programme for 2015/2016 to 2017/2018 were approved. The Board noted the contents of two Internal Audit Reports covering Risk Management & Business Continuity and Follow-Up Reviews 2014/15.

During the course of the year the Treasurer has kept the Board apprised of the budget position by presenting three-monthly Revenue Monitoring Reports. Internal Audit reports and follow-up reviews on various aspects of service delivery were also presented to the Board throughout the year.

SERVICE PROFILE

The Valuation Joint Board, through the Assessor, undertakes 3 main functions which are set out below:

Non-Domestic Rating

The Assessor is charged with the task of compiling and maintaining the Valuation Roll, which comprises a list of non-domestic properties and their associated rateable values. The Valuation Acts direct that the Assessor is required to:-

- 1 Compile a Valuation Roll which, subject to prescribed exclusions, must contain the Rateable Value of all non-domestic properties within the Valuation Authority area.
- 2 Deal with all appeals arising from the publication of the Valuation Roll. These appeals are disposed of in terms of a strict timetable which is set down in statute.
- 3 Maintain and update the Valuation Roll in accordance with current legislation, reflecting changes of ownership, new properties, demolitions, structural alterations and other matters affecting value.

The Rateable Values assessed in the Valuation Roll are used as the basis for charging Non-domestic Rates. Rates Demand Notices are issued annually and on an ongoing basis by the 3 Constituent Councils' Finance Departments.

Council Tax Banding

In terms of the Local Government Finance Act 1992 the Assessor is required to compile a Council Tax Valuation List which must:-

- 1 Include an entry for every dwelling within the area of the Valuation Authority.
- 2 Show against each entry the relevant Valuation Band. There are 8 bands of values ranging from Band A (up to £27,000) to Band H (£212,000 and above).

The Assessor must maintain the Valuation List by adding new dwellings which have come into existence; deleting properties which are no longer appropriate for inclusion in the list; and amending the list in accordance with Regulations. This includes re-banding dwellings which have been improved by alterations and subsequently sold.

Register of Electors

The Assessor provides an electoral registration service for Angus Council and Perth & Kinross Council. Dundee City Council provides its own electoral registration service.

In terms of the relevant legislation the Assessor, in his role as Electoral Registration Officer, has a duty to maintain registers of all persons entitled to vote at elections. This includes maintaining lists of those who wish to be provided with postal or proxy voting facilities.

The Register of Electors is published annually following an annual canvass during which all households are contacted in an effort to confirm details of eligible residents. Contact with households will include the issuing of forms and/or house to house visits.

Legislation allows electors to opt out of appearing in the "Open" version of the Register of Electors, on which there is no restriction on access, sale and supply. The Electoral Registration Officer must therefore prepare two copies of the Register: a full version to which access, sale and supply is restricted, and an "Open" version.

Although published annually, the Register is maintained and updated on a rolling basis, and updates are published monthly, apart from during the canvass period.

2014/2015 DEVELOPMENTS

Non-Domestic Rating

The Assessor has continued to maintain the Valuation Roll during the year, processing new entries, deletions and amendments as required. The Finance Departments of the three constituent authorities are advised of changes weekly, which lead to efficient collection of non-domestic rates income. The Scottish Assessors' Association's website contains details of Valuation Roll entries on an all Scotland basis, and Tayside data is uploaded weekly to ensure that the most up to date information is widely available.

The Scottish Assessors' website also provides details of valuation calculations of the most common types of commercial properties such as shops, offices and industrial subjects. This enables ratepayers to check the valuations of their property and to compare them with others. There are approximately 13,600 summary valuation records available for Tayside properties, representing approximately 72% of all Tayside records.

The cumulative effect of all changes to entries in the Tayside Valuation Rolls during 2014/15 is shown below. The changes reflect additions, deletions and the effect of appeal settlements.

Local Authority Area	Total No of Subjects		Rateable Value		Net Effect
	01/04/2014	31/03/2015	At 01/04/2014	At 31/03/2015	
Angus Council	4,793	4,781	£76,768,772	£77,030,852	+ £262,080
Dundee City Council	5,736	5,683	£188,621,470	£187,593,255	- £1,028,215
Perth & Kinross Council	8,354	8,430	£147,490,880	£148,693,075	+ £1,202,195
Total	18,883	18,894	£412,881,122	£413,317,182	+ £436,060

Performance levels in relation to Valuation Roll maintenance improved over the levels achieved in previous years and exceeded the targets set. Performance is measured in relation to how quickly new or altered entries are shown on the Roll. The number of new and altered entries in the Valuation Roll and the period between their completion and alteration of the Valuation Roll are detailed in the following table. The target was to process 75% within 3 months and 88% within 6 months.

Local Authority Area	No of new and altered entries	Percentage entered of amended within		
		3 months	6 months	more than 6 months
Angus Council	339	87.3%	6.5%	6.2%
Dundee City Council	589	84.4%	8.8%	6.8%
Perth & Kinross Council	777	81.2%	9.4%	9.4%
Total	1,705	83.5%	8.6%	7.9%

During the course of the year, staff have also been involved in dealing with appeals against new or amended entries in the Valuation Roll and appeals lodged on the basis that there has been an "error" or a "material change of circumstances" affecting the value of their property. A summary of appeal progress as at 31 March 2015 is shown below.

	Appeals Received	Appeals Settled	Settled Appeals Rateable Value		Appeals Outstanding	
			Original RV	Settled RV	Appeals	RV
2010 Revaluation	6,017	5,977	£318,309,418	£298,764,425	40	£12,241,250
2010 Running Roll	2,919	2,874	£218,984,040	£217,126,500	45	£10,653,250
2011 Running Roll	3,016	3,000	£231,163,645	£229,865,320	16	£4,805,250
2012 Running Roll	471	464	£57,011,535	£53,860,085	7	£2,242,700
2013 Running Roll	238	229	£31,043,425	£29,551,345	9	£2,558,400
2014 Running Roll	272	40	£1,760,500	£1,584,550	232	£23,647,900

Council Tax Banding

The Valuation List, which comprises approximately 207,000 entries, was fully maintained during the year by adding new dwellings, deleting dwellings that have been demolished and re-banding dwellings as appropriate following alteration and sale. The list was maintained by way of weekly updates, with Banding Notices issued to Council Tax payers and notification of amendments to the 3 Councils' Finance Departments also transmitted on a weekly basis. Sales information continued to be identified and recorded to assist in the valuation and banding process.

The Council Tax List is also available for public inspection on the Scottish Assessors' website. Data is uploaded to the site on a weekly basis so that information on banding is always up to date. Additionally, an on-line facility is available for the lodging of proposals to amend bands, although the circumstances in which proposals will be valid are restricted by legislation.

The number of new dwellings entered in the Valuation List during 2014/15 and the period taken between their completion and entry on the list is detailed in the following table.

Local Authority Area	No of new and altered entries	Percentage entered on Valuation List within		
		3 months	6 months	more than 6 months
Angus Council	466	94.8%	4.3%	0.9%
Dundee City Council	227	98.7%	0.4%	0.9%
Perth & Kinross Council	654	96.3%	2.9%	0.8%
Total	1,347	96.2%	3.0%	0.8%

Performance in relation to how quickly new entries were entered on the Valuation List improved from the level reached in the previous year, although the ability to achieve targets relies to some extent on the co-operation of house owners and occupiers in responding to enquiries and allowing access to their properties. The target was to deal with 90% within 3 months and 98% within 6 months.

Register of Electors

Elections and Referenda

A European Parliament Election was held on 22 May 2014 and the Scottish Independence Referendum took place on 18 September 2014. In addition, elections also took place to elect members to Loch Lomond and The Trossachs National Park Authority Board and to Cairngorms National Park Authority Board on 3 July 2014 and 19 March 2015 respectively. Whilst each of these electoral events is worthy of note in its own right, particular note should be made of the Scottish Independence Referendum which reached unprecedented levels of public interest and engagement. All required administrative procedures for the Referendum were successfully dealt with and, in administrative terms, the event passed without incident. However, the very high levels of enquiries,

new registration applications, postal and proxy vote applications severely stretched the resources of the Board and I am grateful to all my staff for their exceptionally hard work over that period.

The Introduction of Individual Electoral Registration and the 2014/15 Canvass

A new system of Individual Electoral Registration was introduced in Scotland on 19 September 2014. The timing of its introduction was delayed beyond that of England and Wales (10 June 2014) because of the Scottish Independence Referendum. In view of the later timing of the introduction, the publication date of the Register of Electors for Scotland was changed from 1 December 2014 to 27 February 2015.

Following the Scottish Independence Referendum on 18 September 2014, the full Electoral Register was passed to the Department for Work and Pensions (DWP) to attempt to successfully data match as many electors as possible in order to passport these electors directly to new system. A total of 187,827 electors (representing 89% of the total electorate) were either matched immediately or following subsequent, additional, local data matching. Another 18,719 electors were then issued with an *Invitation to Register* and encouraged to respond by either returning this form or visit www.gov.uk/register-to-vote where they may register online. All non responders were issued with a reminder and a further household visit, if necessary.

Where an elector or household had not returned a canvass form in 2013, the household was issued with a *Household Enquiry Form* and encouraged to respond. 12,066 forms were issued to households and on return, the elector was either registered under the new system if the elector had also matched DWP records or, if not matched, the elector was issued with an *Invitation to Register*. Reminder letters and household visits were carried out for non responders. Temporary canvassers were employed to visit households which failed to return either the *Household Enquiry Form* or *Invitation to Register* form.

The revised procedures resulted in approximately 5,000 more properties requiring a visit than during the 2013/14 canvass for the 11% of the electorate who had not matched those records held by DWP. Statistics on the total electorate are shown in the following table:-

Local Authority Area	Electorate at 10 March 2014	Electorate at 27 February 2015	Net Change
Angus	90,074	91,115	1,041
Perth & Kinross	115,068	110,539	- 4,529
Total	205,142	201,654	- 3,488

The introduction of Individual Electoral Registration in 2014 required a considerable amount of planning and substantial revisions were required to systems and procedures. New security procedures were also introduced for staff, IT systems and buildings, including identity badges and CCTV and protective coatings for windows of any rooms holding sensitive data. All staff have undergone significant training to ensure a smooth transition to the new electoral registration system.

The first full annual canvass of all households under Individual Electoral Registration will commence in August 2015 and preparations for this are underway. Although legislation has still to be passed it is likely that this canvass will also include 14 and 15 year olds in order that they may be included in the revised Electoral Register when published on 1 December 2015 so that these young electors may vote at Local Government and Scottish Parliamentary Elections from 2016.

The Open Electoral Register

Electors may opt out of having their name listed in the *Open Register* on which there is no restriction on access, sale and supply. Statistics in relation to the *Full Register* and the *Open Register* are as follows:-

Local Authority Area	Total Electorate on Full Register	Total No of Electors "Opting-Out" of Open Register	Opt-outs as %	Total on Open Register
Angus	91,115	17,802	19.5%	73,313
Perth & Kinross	110,539	26,717	24.2%	83,822
Total	201,654	44,519	22.1%	157,135

Performance Standards

The Electoral Commission has determined a set of standards against which Electoral Registration Officers are assessed in the performance of their duties. It is pleasing to note that the electoral registration service in Angus and Perth & Kinross has met or exceeded all standards that have been scrutinised so far in 2014/15. The Electoral Commission has yet to complete its analysis of certain categories of the new performance standards which were introduced after Individual Electoral Registration commenced on 19 September 2014.

General

The Management of the Board has continued to operate with the assistance of various Working Groups reporting to the Management Team. These groups monitor all matters relating to the core functions, including governance, health and safety and information technology. The membership and remits of the Working Groups continue to be reviewed as necessary.

Senior members of staff have continued to contribute to the work of the Scottish Assessors' Association (SAA) which meets regularly to facilitate a consistent approach in the administration of the Valuation, Council Tax and Electoral Registration services. Having resolved the vast majority of issues relating to the Revaluation which took place on 1 April 2010, the valuation staff have begun to make preparations for the next General Revaluation which will take place on 1 April 2017.

In order to gauge the public's perception of the quality of service provided, questionnaires have continued to be issued throughout the year to a random sample of people who have made contact with the department. A full analysis of the survey will be provided to the Board in August. Generally, the results indicate a high degree of satisfaction amongst customers.

ACKNOWLEDGEMENTS

I would like to take this opportunity to thank the Convener and members of Tayside Valuation Joint Board for their support, assistance and co-operation during the financial year.

I would similarly express my appreciation to the Clerk to the Board Roger Mennie, and the Treasurer Marjory Stewart, for their advice and support during the year. I would extend my grateful thanks also to the members of their respective staffs.

Finally, I would conclude this report by recording my sincere thanks to my own Management Team, Information Technology, Headquarters and Divisional staff for their hard work, dedication and support in providing the Valuation and Electoral service during the past year.

**Alastair Kirkwood BSc, MRICS (Dip Rating), IRRV (Hons), AEA
Assessor and ERO
Tayside Valuation Joint Board
June 2015**

TAYSIDE VALUATION JOINT BOARD

MANAGEMENT COMMENTARY - TREASURER'S REPORT

Introduction

This report is intended as a commentary on the Joint Board's financial position, as presented within the Annual Accounts for the financial year 2014/2015.

Annual Governance Statement (see page 13)

This statement sets out the framework within which financial control is managed and reviewed. The main components of the system are listed, together with any significant weaknesses that have been identified and the remedial action taken.

Remuneration Report (see page 15)

This report sets out the remuneration and accrued pension benefits of the senior employees of the Board and the remuneration of the Convener and Vice Convener of the Board. Policy and contextual information relating to these areas is also provided.

Statement of Responsibilities for the Annual Accounts (see page 20)

This statement sets out the main financial responsibilities of the Board and the Treasurer.

The Accounting Statements (see pages 21 to 47)

Movement in Reserves Statement:

this statement shows the movement in the year on the different reserves held by the Board, analysed into 'usable reserves' (ie those that can be applied to fund expenditure) and unusable reserves.

Comprehensive Income and Expenditure Statement:

this statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices.

Balance Sheet:

shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Board.

Cash Flow Statement:

shows the changes in cash and cash equivalents of the Board during the reporting period.

Notes to the Financial Statements:

are intended to give the reader further information which is not separately detailed in the financial statements.

Revenue Expenditure

The Tayside Valuation Joint Board, at its meeting on 27 January 2014, approved the final 2014/2015 Revenue Budget of £2,864,701 which was then requisitioned from the three Constituent Councils, in line with the following apportionment (based on Councils' 2014/2015 GAE figures for Lands Valuation and Council Tax Valuation):

Angus Council	26.43%	£757,140
Dundee City Council	33.28%	£953,373
Perth & Kinross Council	40.29%	<u>£1,154,188</u>
		<u>£2,864,701</u>

The 2014/2015 Revenue Budget of £2,864,701 was set at the same level as the approved 2013/2014 Revenue Budget. The standstill budget was achieved after utilising £21,000 from General Reserves mainly to compensate for increased staff costs due to an assumed 1% pay award and an increase in property costs partly offset by a reduction in other budget heads.

The Board received quarterly Revenue Monitoring reports during 2014/2015 in order to keep the members fully apprised as to the projected revenue outturn position. At its meeting on 23 August 2004, the Board agreed that the final underspend in any financial year should be returned to the Constituent Councils.

The following table reconciles the Revenue Budget approved by the Board on 27 January 2014 to the revised budget figures that are included in the Comprehensive Income and Expenditure Statement shown on page 22. Actual outturn figures and under/overspends are also shown and are explained in the detailed variance analysis below.

	Approved Budget	Corp & Democratic Core Re-allocation	Depreciation	Capital Contribution Reallocation	Employee Benefits Adjust	IAS 19 Adjusts	Revised Budget	Actual Expend/(Income)	(Under)/Over Spend
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Staff Costs	2,556				22	195	2,773	2,777	4
Property Costs	335						335	343	8
Supplies and Services	319	(15)					304	422	118
Transport Costs	57						57	60	3
Third Party Payments	50						50	27	(23)
Depreciation	-		32				32	32	-
Corporate and Democratic Core	-	15					15	15	-
Cost Of Services	3,317	-	32	-	22	195	3,566	3,676	110
Other Operating Income & Expenditure	(429)						(429)	(446)	(17)
Financing & Investment Income & Expenditure	(2)					374	372	372	-
Taxation & Non-Specific Grant Income	-						-	(151)	(151)
(Surplus)/Deficit on Provision of Services before Requisition	2,886	-	32	-	22	569	3,509	3,451	(58)
Recognised Capital Income	-			(97)			(97)	(97)	-
Requisition Income	(2,865)						(2,865)	(2,828)	37
Total (Surplus) / Deficit	21	-	32	(97)	22	569	547	526	-
IAS 19 Adjustments	-					(569)	(569)	(569)	-
Other IFRS Code Accounting Adjustments	-		(32)	97	(22)	-	43	43	-
Total (Surplus)/Deficit for the year	21	-	-	-	-	-	21	-	-

During 2014/2015, an underspend of £37,000 was achieved in relation to Valuation Services. An overspend of £13,000 on Additional Electoral Registration Services has been taken into account in calculating the requisition returned to the Constituent Councils (£24,000) in line with the decision made by the Board on 23 August 2004. The main budget variances are summarised below:

Staff Costs (Overspend £4,000):

Additional costs incurred on Individual Electoral Registration (including additional duties) and the Scottish Referendum were partly compensated for by delays in filling posts. Additional expenditure on Individual Electoral Registration is compensated for by grant income.

Property Costs (Overspend £8,000)

Due mainly to unexpected costs relating to Ravenswood House, Forfar.

Supplies & Services (Overspend £118,000)

Additional printing, IT and postage costs incurred on Individual Electoral Registration (including additional duties) and the Scottish Referendum which were compensated for by additional grant income.

Transport Costs (Overspend £3,000)

Mainly due to additional travel related to higher activity levels.

Third Party Payments (Underspend £23,000)

Due to lower than anticipated legal expenses.

Other Operating Income & Expenditure (Increased Income £17,000)

Due mainly to higher than anticipated sales of registers (£4,000) and recovery of an overspend on Electoral Registration Costs (£13,000).

Taxation & Non-Specific Grant Income (Increased Income £151,000)

This represents the recovery of grant income to cover additional costs under other budget headings for Individual Electoral Registration and the Scottish Referendum

Requisition Income (reduced Income £37,000)

Due to returning £37,000 of Requisition Income to Constituent Councils.

General Reserve

In setting the 2014/2015 Revenue Budget, the Treasurer advised that the minimum level of uncommitted balances that the Board should operate with is £60,000. The sum of £21,000 was taken from the General Reserve and used in the setting of the Board's 2014/2015 Revenue Budget. This ensured no increase in the requisition from Constituent Councils. However, the financial performance of the Joint Board during 2014/15 did not require any sum taken from the General Reserve, which was maintained at March 2014 levels. The General Reserve balance at 31st March 2015 is therefore £102,974

Capital Expenditure

During 2014/2015 the Board incurred £97,290 of capital expenditure on computer equipment and associated communications networking. This expenditure was funded by the three Constituent Councils (£23,000) and the Individual Electoral Registration grant from the Cabinet Office (£74,290).

Borrowing Facilities

The Board does not have the powers to incur any new capital debt directly through borrowing. Accordingly, the Board's capital expenditure requirements are funded either by a contribution from the three Constituent Councils, by Government Grant or directly from the Board's revenue resources (CFCR).

Control of Revenue and Capital Expenditure

The control of both the revenue and capital expenditure of the Board is an ongoing and substantial exercise which requires a positive contribution from staff and elected members to ensure that the Board's financial objectives are achieved and that financial resources are fully utilised. The following Annual Accounts reflects the fact that this has been carried out satisfactorily in the course of the financial year.

Pension Liability (IAS 19)

Under International Accounting Standard 19 (Employee Benefits), the Board is required to include figures in the Annual Accounts relating to the assets, liabilities, income and expenditure related to the pension scheme for its employees. It has been estimated that the Board had a net pension liability of £5,891,000 as at 31 March 2015. The estimated net Pension Liability at 31 March 2014 was £8,163,000. An increase in the fair value of Fund Assets, partly offset by an increase in the present value of the funded obligation of the scheme has resulted in a decrease in the overall net liability of £2,272,000.

Balance Sheet Net Liabilities

The Board's Balance Sheet as at 31 March 2015 shows Net Liabilities of £5,778,000. The significant factor in the Net Liabilities position is the IAS 19 Pension Liability of £5,891,000. The IAS 19 Pension Liability figure is based on a "snap shot" at 31 March 2015 and the calculation is particularly sensitive to the vagaries of the stock market. The IAS 19 Pension Liability is a notional figure and does not require to be funded. Throughout the normal course of events, any projected net liability on the Tayside Pension Fund is recouped by increased employer's contributions. The IAS 19 Pension Liability does not impact on the Board's General Reserve or budgetary requirements and the Net Liabilities position shown in the Balance Sheet does not therefore affect the Board's ability to continue as a going concern for the foreseeable future.

Acknowledgements

During the 2014/2015 financial year, the Board's financial position has required continuous scrutiny and strict budgetary control. I would wish to place on record my appreciation of the excellent work carried out by Alastair Kirkwood, Assessor and the staff of the Board in controlling the Board's expenditure and income.

I would also wish to record my appreciation of the help and co-operation provided during the financial year by the elected members and by Roger Mennie, Clerk to the Board.

Finally, I would conclude the report by thanking all staff who have contributed to the preparation of the Board's 2014/2015 Annual Accounts.

Marjory Stewart FCCA, CPFA
Treasurer
Tayside Valuation Joint Board
xx June 2015

TAYSIDE VALUATION JOINT BOARD

ANNUAL GOVERNANCE STATEMENT

Scope of Responsibility

Tayside Valuation Joint Board is responsible for ensuring that its business is conducted in accordance with the law and appropriate standards. This is to ensure that public funds and assets at its disposal are safeguarded, properly accounted for and used economically, efficiently and effectively. The Board also has a duty to make arrangements to secure continuous improvement in the way its functions are carried out.

In discharging these responsibilities elected members and senior officers are responsible for implementing effective arrangements for governing the Board's affairs and facilitating the effective exercise of its functions, including arrangements for the management of risk.

To this end the Board has approved and adopted a local Code of Corporate Governance that is consistent with the principles of the CIPFA/SOLACE framework *Delivering Good Governance in Local Government*. This statement explains how Tayside Valuation Joint Board delivers good governance and reviews the effectiveness of these arrangements.

The Board's Governance Framework

The governance framework comprises the systems, processes, cultures and values by which the Board is directed and controlled. It also describes the way it engages with its stakeholders. It enables the Board to monitor the achievement of its strategic objectives and consider whether those objectives have led to the delivery of appropriate, cost-effective services.

Within the overall control arrangements the system of internal financial control is intended to ensure that assets are safeguarded, transactions are authorised and properly recorded, and material errors or irregularities are either prevented or would be detected within a timely period. It is based on a framework of regular management information, financial regulations, administrative procedures and management supervision.

The framework reflects the arrangements in place to meet the six supporting principles of effective corporate governance. These are as follows:

- focusing on the purpose of the Board and on outcomes for the community and creating and implementing a vision for the local area;
- members and officers working together to achieve a common purpose with clearly defined functions and roles;
- promoting values for the Board and demonstrating the values of good governance through upholding high standards of conduct and behaviour;
- taking informed and transparent decisions which are subject to effective scrutiny and managing risk;
- developing the capacity and capabilities of members and officers to be effective; and
- engaging with local people and other stakeholders to ensure robust public accountability.

The overall control arrangements include:

- identifying the Board's objectives in the Service Plan.
- monitoring of objectives by the Board and senior officers.
- reporting performance regularly to Board meetings.
- clearly defined Standing Orders, Financial Regulations, Tender Procedures and Delegation of Powers.
- approved anti-fraud and corruption strategies including "whistle-blowing" arrangements.
- setting targets to measure financial and service performance.
- formal revenue and capital budgetary control systems and procedures.

Additionally, in order to support Chief Financial Officers in the fulfilment of their duties and to ensure that local authority organisations have access to effective financial advice of the highest level, CIPFA's *Role of the Chief Financial Officer* has introduced a "comply or explain" requirement in the Annual Accounts.

Review of Effectiveness

Members and officers of the Board are committed to the concept of sound governance and the effective delivery of Board services and take into account comments made by internal and external auditors.

In addition the Board have made a self-assessment of their own arrangements. This involved the completion of a 31-point checklist by the Assessor, covering four key governance areas of Service Planning and Performance Management, Internal Control Environment, Budgeting, Accounting and Financial Control and Risk Management and Business Continuity. This indicates that the Board are fully compliant in the four key governance areas covered.

The Board's Internal Audit Service provider conforms with the Public Sector Internal Audit Standards (PSIAS), and reports to the Board. Internal Audit undertakes an annual programme of work, which is reported to the Board. The Internal Auditor provides an independent opinion on the adequacy and effectiveness of the system of internal control.

The Treasurer complies with the principles set out in CIPFA's *Role of the Chief Financial Officer*.

Continuous Improvement Agenda

The self-assessment checklist completed by the Assessor as part of the Board's assurance gathering process highlights that the Board is fully compliant in the four key governance areas covered.

In 2013/2014, Internal Audit carried out follow up reports on area's involving Performance Reporting, General ledger, Asset Management, Payroll and HR and Corporate Governance and Control. Of 17 non significant items identified, 15 have been fully implemented. The remaining two items are partially implemented pending legal advice.

During 2014/2015, Internal Audit have conducted their programme of audits, including reviews of Non Domestic Rates, Risk Management and Business Continuity, Procurement and Creditors/Purchasing and IT Network arrangements. There were no significant issues identifying major internal control weaknesses. In general, procedures operate adequately in the areas selected. A small number of actions have been agreed to further strengthen controls, as follows:-

- Update the Business Continuity Plan and IT Disaster Recovery Plan to reflect recent IER and IT network changes;
- Test the Updated Business Continuity Plan and IT Disaster Recovery Plan once implemented
- Establish a program of regular testing of the Business Continuity Plan and IT Disaster Recovery Plan
- Staff to be reminded of the importance of ensuring that the appropriate checks are undertaken

It is proposed that during 2015/2016 steps are taken to address the items identified in the Continuous Improvement Agenda to further enhance the Board's governance arrangements

The annual review demonstrates sufficient evidence that the code's principles of delivering good governance in local government operated effectively and the Board complies with the Local Code of Corporate Governance in all significant respects. Future actions will be taken as necessary to maintain and further enhance the Boards governance arrangements.

Councillor Elspeth Maclachlan
Convener
Tayside Valuation Joint Board
Xx June 2015

Alastair Kirkwood BSc, MRICS, IRRV, AEA
Assessor
Tayside Valuation Joint Board
xx June 2015

TAYSIDE VALUATION JOINT BOARD

REMUNERATION REPORT

INTRODUCTION

The Board is required to prepare and publish within its Annual Accounts an annual Remuneration Report under the Local Authority Accounts (Scotland) Regulations 2014. The report sets out the remuneration of the Convener, Vice Convener and Senior Employees of the Board and accrued pension benefits of the Senior Employees. The report also provides information on the number of Board employees (including Senior Employees) whose total actual remuneration was £50,000 or more, this information being disclosed in salary bandings of £5,000 above £50,000. The following report has been prepared in accordance with the aforementioned Regulations. The Board's External Auditor is required to audit certain parts of the Remuneration Report and give a separate opinion in his report on the Annual Accounts as to whether the Remuneration Report has been properly prepared in accordance with the Regulations. Tables 1, 2 and 3 are subject to audit, and the remainder of the report is subject to review.

REMUNERATION ARRANGEMENTS

Convener and Vice Convener

The remuneration of Councillors is regulated by the Local Governance (Scotland) Act 2004 (Remuneration) Regulations 2007 (Scottish Statutory Instrument No. 2007/183). The Regulations set out the remuneration payable to Councillors with the responsibility of a Convener or Vice Convener of a Joint Board. The Regulations require the remuneration to be paid by the Council of which the Convener or Vice Convener is a member. The Council is also required to pay pension contributions arising from the Convener or Vice Convener being a member of the Local Government Pension Scheme.

The Board has an arrangement with each Council who remunerates the Chair and Vice-Chair to reimburse the Council for the additional costs of that councillor arising from them being a Chair or Vice-Chair of the Board.

The remuneration details for the Convener and Vice Convener of Tayside Valuation Joint Board are set out in Table 1.

Senior Employees

The salaries of Senior Employees take account of the duties and responsibilities of their posts. Senior Employees are entitled to participate in Dundee City Council's Contract Car Hire Scheme, subject to meeting certain criteria. Dundee City Council's Policy & Resources Committee is responsible for agreeing the terms of the Contract Car Hire Scheme.

For the purposes of the Remuneration Report, the Regulations set out the following criteria for designation as a Senior Employee of the Board:

- (i) has responsibility for management of the Board to the extent that the person has power to direct or control the major activities of the authority (including activities involving the expenditure of money), during the year to which the Report relates, whether solely or collectively with other persons;
- (ii) holds a post that is politically restricted by reason of section 2(1)(a), (b) or (c) of the Local Government and Housing Act 1989; or
- (iii) annual remuneration, including any remuneration from a local authority subsidiary body, is £150,000 or more.

The Board has determined that five employees covering five posts meet the criteria for designation as a Senior Employee in 2014/2015, with all five employees falling into category (i) above. The remuneration details for the Senior Employees of the Board are set out in Table 2.

The Regulations also require information to be published on the total number of Board employees (including Senior Employees) whose total actual remuneration was £50,000 or more. This information is to be disclosed in salary bandings of £5,000 above £50,000 and is shown in the following table:

Remuneration Bands	No of Employees	No of Employees
	2013/2014	2014/2015
£50,000 - £54,999	3	4
£70,000 - £74,999	1	-
£75,000 - £79,999	1	-
£80,000 - £84,999	-	1
£95,000 - £99,999	-	1
Total	5	6

ACCRUED PENSION BENEFITS

Pension benefits for Tayside Valuation Joint Board employees are provided through the Local Government Pension Scheme (LGPS) which is a final salary pension scheme. This means that pension benefits are based on the final year's pay and the number years that the person has been a member of the scheme.

The scheme's normal retirement age for Board employees is 65.

From 1 April 2009 a five tier contribution system was introduced with contributions from scheme members being based on how much pay falls into each tier. This is designed to give more equality between the cost and benefits of scheme membership. Prior to 2009, contribution rates were set at 6% for all non-manual employees. The members' contribution rates for 2014/2015 remain at the 2009/2010 rates although the pay bandings have been adjusted. The tiers and contribution rates are as follows:

2013/2014 Whole Time Pay on Earnings:	Contribution Rate 2013/2014	2014/2015 Whole Time Pay on Earnings:	Contribution Rate 2014/2015
up to and including £19,800	5.5%	up to and including £20,335	5.5%
above £19,800 and up to £24,200	7.25%	above £20,335 and up to £24,853	7.25%
above £24,200 and up to £33,200	8.5%	above £24,853 and up to £34,096	8.5%
above £33,200 and up to £44,200	9.5%	above £34,096 and up to £45,393	9.5%
above £44,200	12%	above £45,393	12%

If a person works part-time their contribution rate is worked out on the whole-time pay rate for the job, with actual contributions paid on actual pay earned.

There is no automatic entitlement to a lump sum. Members may opt to give up (commute) pension for lump sum up to the limit set by the Finance Act 2004. The accrual rate guarantees a pension based on 1/60th of final pensionable salary and years of pensionable service. Prior to 2009 the accrual rate guaranteed a pension based on 1/80th and a lump sum based on 3/80th of final pensionable salary and years of pensionable service.

Convener and Vice Convener

There were no pension contributions made by the Board in respect of the Convener and Vice Convener of Tayside Valuation Joint Board.

Senior Employees

The accrued pension benefits for Senior Employees are set out in Table 3, together with the pension contributions made by the Board.

Exit Packages

There were no exit packages in 2014/2015 (2013/2014 Nil).

Assumptions and Contextual Information

The value of the accrued pension benefits has been calculated on the basis of the age at which the person will first become entitled to receive a pension on retirement without reduction on account of its payment at that age; without exercising any option to commute pension entitlement into a lump sum; and without any adjustment for the effects of future inflation. The pension figures shown relate to the benefits that the person has accrued as a consequence of their total Local Government service and not just their current appointment.

In considering the accrued pension benefits figures the following contextual information should be taken into account:

- (i) the figures for pension and lump sum are illustrative only in light of the assumptions set out above and do not necessarily reflect the actual benefits that any individual may receive upon retirement.
- (ii) the accrued benefits figures are reflective of the pension contributions that both the employer and the scheme member have made over a period of time. In 2014/2015, the scheme member contribution rate for Senior Employees was in the range of 7.9% to 9.8% of pensionable pay. In 2014/2015, the employer contribution rate was 18.0% of pensionable pay for Senior Employees.

**Councillor Elspeth Maclachlan
Convener
Tayside Valuation Joint Board
Xx June 2015**

**Alastair Kirkwood BSc, MRICS, IRRV, AEA
Assessor
Tayside Valuation Joint Board
xx June 2015**

TABLE 1 – REMUNERATION OF COUNCILLOR WHO IS CONVENER OF TAYSIDE VALUATION JOINT BOARD

Councillor Name	Responsibility	Salary, Fees & Allowances	Taxable Expenses	Non-cash Expenses & Benefits-in-Kind	Total Remuneration 2014/2015	Total Remuneration 2013/2014
		£	£	£	£	£
Jim Houston *	Vice-Convener, Tayside Valuation Joint Board				3,100	3,076
Total					<u>3,100</u>	<u>3,076</u>

Note

* Recharged to the Board by Angus Council in respect of the Vice-Convener .

TABLE 2 – REMUNERATION OF SENIOR EMPLOYEES

Employee Name	Post Title	Salary, Fees & Allowances	Bonuses	Taxable Expenses	Compensation for Loss of Employment	Benefits Other Than in Cash *	Total Remuneration 2014/2015	Total Remuneration 2013/2014
		£	£	£	£	£	£	£
Alastair Kirkwood	Assessor (from 1 July 2013)	99,745	-	-	-	-	99,745	74,068
John Galbraith	Assessor (until 30 June 2013)	-	-	-	-	-	-	24,689
Henry Gray	Depute Assessor	76,981	-	-	-	3,645	80,626	79,808
Donald Allan	Assistant Assessor	52,196	-	-	-	-	52,196	51,680
Roy Christie	Assistant Assessor	52,196	-	-	-	-	52,196	51,680
Richard Michalski	Assistant Assessor	52,196	-	-	-	-	52,196	51,680
Total		<u>333,314</u>	-	-	-	<u>3,645</u>	<u>336,959</u>	<u>333,605</u>

* Lease Car benefit value

TABLE 3 – SENIOR EMPLOYEES ACCRUED PENSION BENEFITS

Employee Name	Post Title	Pension as at 31 March 2015 £000	Pension Difference from 31 March 2015 £000	Lump Sum as at 31 March 2015 £000	Lump Sum Difference from 31 March 2015 £000	Pension Contribution 2014/2015 £	Pension Contribution 2013/2014 £
Alastair Kirkwood	Assessor (from 1 July 2013)	40	2	89	1	17,954	13,332
John Galbraith	Assessor (until 30 June 2013)	-	-	-	-	-	4,444
Henry Gray	Depute Assessor	36	1	84	1	13,857	13,719
Donald Allan	Assistant Assessor	20	1	45	0	9,395	9,302
Roy Christie	Assistant Assessor	22	1	50	0	9,395	9,302
Richard Michalski	Assistant Assessor	16	1	33	0	9,395	9,302
Total		134	6	301	2	59,996	54,957

TAYSIDE VALUATION JOINT BOARD

STATEMENT OF RESPONSIBILITIES FOR THE ANNUAL ACCOUNTS

The Joint Board's responsibilities

The Joint Board is required to:

- make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Joint Board, that officer is the Treasurer;
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- ensure the Annual Accounts are prepared in accordance with legislation (The Local Authority Accounts (Scotland) Regulations 2014), and so far as is compatible with that legislation, in accordance with proper accounting practices (section 12 of the Local Government in Scotland Act 2003).
- approve the Annual Accounts for signature.

Councillor Elspeth Maclachlan
Convener
Tayside Valuation Joint Board
Xx June 2015

The Responsibilities of the Treasurer

The Treasurer is responsible for the preparation of the Joint Board's Annual Accounts in accordance with proper practices as required by legislation and set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom ("the Code of Practice).

In preparing this annual accounts, the Treasurer has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with legislation;
- complied with the Code of Practice (in so far as it is compatible with legislation)..

The Treasurer has also:

- kept proper accounting records which were up to date;
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

I certify that the financial statements give a true and fair view of the financial position of the Joint Board at the accounting date and of its income and expenditure for the year ended 31 March 2015.

Marjory Stewart FCCA, CPFA
Treasurer
Tayside Valuation Joint Board
xx June 2015

TAYSIDE VALUATION JOINT BOARD

MOVEMENT IN RESERVES STATEMENT

This statement shows the movement in the year on the different reserves held by the Board, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure) and 'unusable reserves'. The Surplus or (Deficit) on the Provision of Services line shows the true economic cost of providing the Board's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the General Reserve Balance. The Net Increase/Decrease before Transfers to Earmarked Reserves line shows the statutory General Reserve Balance before any discretionary transfers to or from earmarked reserves undertaken by the Board.

	General Reserve Balance £000	Total Usable Reserves £000	Unusable Reserves £000	Total Board Reserves £000
Balance at 31 March 2013	(103)	(103)	5,766	5,663
<u>Movement in Reserves during 2013/2014</u>				
(Surplus) or Deficit on Provision of Services	411	411	-	411
Other Comprehensive Expenditure and Income	-	-	2,020	2,020
Total Comprehensive Expenditure and Income	411	411	2,020	2,431
Adjustments Between Accounting Basis & Funding Basis Under Regulations (note 4)	(411)	(411)	411	-
Net (Increase)/Decrease before Transfers to Earmarked Reserves	-	-	2,431	2,431
Transfers to/(from) Earmarked Reserves	-	-	-	-
(Increase)/Decrease in 2013/2014	-	-	2,431	2,431
Balance at 31 March 2014 carried forward	(103)	(103)	8,197	8,094
<u>Movement in Reserves during 2014/2015</u>				
(Surplus) or Deficit on Provision of Services	526	526	-	526
Other Comprehensive Expenditure and Income	-	-	(2,842)	(2,842)
Total Comprehensive Expenditure and Income	526	526	(2,842)	2,316
Adjustments Between Accounting Basis & Funding Basis Under Regulations (note 4)	(526)	(526)	526	-
Net (Increase)/Decrease before Transfers to Earmarked Reserves	-	-	(2,316)	(2,316)
Transfers to/(from) Earmarked Reserves	-	-	-	-
(Increase)/Decrease in 2014/2015	-	-	(2,316)	(2,316)
Balance at 31 March 2015 carried forward	(103)	(103)	5,881	5,778

TAYSIDE VALUATION JOINT BOARD
COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices.

2013/2014				2014/2015			
Gross Expenditure	Gross Income	Net Expenditure/ (Income)		Unaudited Budgeted Net Expenditure/ (Income)	Gross Expenditure	Gross Income	Net Expenditure/ (Income)
£000	£000	£000		£000	£000	£000	£000
			Expenditure				
2,636	-	2,636	Staff Costs	2,773	2,777	-	2,777
336	-	336	Property Costs	335	343	-	343
354	-	354	Supplies and Services	304	422	-	422
58	-	58	Transport Costs	57	60	-	60
88	-	88	Third Party Payments	50	27	-	27
31	-	31	Depreciation	32	32	-	32
15	-	15	Corporate and Democratic Core	15	15	-	15
3,518	-	3,518	Cost Of Services	3,566	3,676	-	3,676
-	(436)	(436)	Other Operating Income & Expenditure (note 5)	(429)	-	(446)	(446)
263	-	263	Financing and Investment Income and Expenditure (note 6)	372	372	-	372
-	(46)	(46)	Taxation and Non-Specific Grant Income (notes 7 & 29)	-	-	(151)	(151)
3,781	(482)	3,299	(Surplus)/Deficit on Provision of Services before Requisitions	3,509	4,048	(597)	3,451
-	(23)	(23)	Recognised Capital Income (note 8)	(97)	-	(97)	(97)
-	-	-	Use of Reserves	(21)	-	-	-
-	(2,865)	(2,865)	Requisition Income	(2,865)	-	(2,828)	(2,828)
3,781	(3,370)	411	(Surplus) or Deficit on Provision of Services	526	4,048	(3,522)	526
2,020	-	2,020	Actuarial (Gains)/Losses on Pension Assets/Liabilities	(2,842)	(2,842)	-	(2,842)
5,801	(3,370)	2,431	Total Comprehensive Income and Expenditure	(2,316)	1,206	(3,522)	(2,316)

TAYSIDE VALUATION JOINT BOARD

BALANCE SHEET

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Board. The net liabilities of the Board (assets less liabilities) are matched by the reserves held by the Board. Reserves are reported in two categories. The first category is usable reserves, ie those that the Board may use to provide services, subject to the need to maintain a prudent level of reserves. The second category is those that the Board is not able to use to provide services. This category includes reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

31 March 2014 £000	Note	31 March 2015 £000
87 Property, Plant & Equipment	22	152
87 Long Term Assets		152
52 Short Term Debtors	24	181
416 Cash and Cash Equivalents	13	333
468 Current Assets		514
(431) Short Term Creditors	25	(498)
(55) Capital Contributions Receipts in Advance	28	(55)
(486) Current Liabilities		(553)
(8,163) Net Pension Liabilities	18	(5,891)
(8,163) Long Term Liabilities		(5,891)
(8,094) Net Liabilities		(5,778)
103 Usable reserves	9	103
(8,197) Unusable Reserves	10	(5,881)
(8,094) Total Reserves		(5,778)

Marjory Stewart FCCA, CPFA
Treasurer
Tayside Valuation Joint Board
Xx June 2015

TAYSIDE VALUATION JOINT BOARD

CASH FLOW STATEMENT

The Cash Flow Statement shows the changes in cash and cash equivalents of the Board during the reporting period. The statement shows how the Board generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Board are funded by way of requisitions from Constituent Authorities. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Board's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (ie borrowing) to the Board.

2013/2014		2014/2015
£000		£000
411	Net (surplus) or deficit on the provision of services	526
(331)	Adjust net (surplus) or deficit on the provision of services for non cash movements	(540)
80	Net cash flows from Operating Activities (note 11)	(14)
23	Investing Activities (note 12)	97
103	Net (increase) or decrease in cash and cash equivalents	83
519	Cash and cash equivalents at the beginning of the reporting period	416
416	Cash and cash equivalents at the end of the reporting period (note 13)	333

TAYSIDE VALUATION JOINT BOARD
NOTES TO THE FINANCIAL STATEMENTS

1 ACCOUNTING POLICIES

A General Principles

The Annual Accounts summarises the Board's transactions for the 2014/2015 financial year and its position at the year-end of 31 March 2015. The Board is required to prepare an Annual Accounts by the The Local Authority Accounts (Scotland) Regulations 2014. Section 12 of the Local Government in Scotland Act 2003 requires that they be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2014/2015 and the Service Reporting Code of Practice 2014/2015, supported by International Financial Reporting Standards (IFRS). The accounting convention adopted in the Annual Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

B Accruals of Income and Expenditure

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- Revenue from the sale of goods is recognised when the Board transfers the significant risks and rewards of ownership to the purchaser and it is probable that economic benefits or service potential associated with the transaction will flow to the Board.
- Revenue from the provision of services is recognised when the Board can measure reliably the percentage of completion of the transaction and it is probable that economic benefits or service potential associated with the transaction will flow to the Board.
- Expenses in relation to services received (including those rendered by the Board's employees) are recorded as expenditure when the services are received, rather than when payments are made.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where there is evidence that debts are unlikely to be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

C Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. In the Cash Flow Statement (page 24), cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Board's cash management.

D Changes in Accounting Policies and Estimates and Errors

Changes in accounting policies are only made when required by proper accounting practices or when the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Board's financial position or financial performance. Where a change is made, it is applied retrospectively by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change. Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

E Charges to Revenue for Non-Current Assets

Tayside Valuation Joint Board accounts are debited with the following amounts to record the cost of holding fixed assets during the year:

- depreciation attributable to the assets used by the Board

The Board is not required to raise requisition income to cover depreciation. Depreciation is therefore reversed by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement.

F Employee Benefits

Benefits Payable During Employment

Short-term employee benefits (those that fall due wholly within 12 months of the year-end), such as wages and salaries, paid annual leave and paid sick leave and non-monetary benefits (eg cars) for current employees, are recognised as an expense in the year in which employees render service to the Board. An accrual is made against services in the Surplus or Deficit on the Provision of Services for the cost of holiday entitlements and other forms of leave earned by employees but not taken before the year-end and which employees can carry forward into the next financial year. The accrual is made at the remuneration rates applicable in the following financial year. Any accrual made is required under statute to be reversed out of the General Reserve Balance by a credit to the Accumulating Compensated Absences Adjustment Account in the Movement in Reserves Statement.

Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Board to terminate an employee's employment before the normal retirement date or an employee's decision to accept voluntary redundancy and are charged on an accruals basis to the Non Distributed Costs line in the Comprehensive Income and Expenditure Statement at the earlier of when the Board can no longer withdraw the offer of those benefits or when the Board recognises costs for a restructuring. Where termination benefits involve the enhancement of pensions, statutory provisions require the General Reserve balance to be charged with the amount payable by the Board to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for termination benefits related to pensions enhancements and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

Post Employment Benefits

Employees of the Board are members of the Local Government Pension Scheme (Tayside Pension Fund), a defined benefits scheme which is administered by Dundee City Council. The scheme provides defined benefits to members (retirement lump sums and pensions), earned as employees worked for the Board.

The Local Government Pension Scheme is accounted for as a defined benefits scheme:

- The liabilities of the Tayside Pension Fund attributable to the Board are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates etc, and projections of earnings for current employees.
- Liabilities are discounted to their value at current prices, using a discount rate based on the indicative rate of return on high quality corporate bond, iBoxx AA rated over 15 year corporate bond index.

The assets of the Tayside Pension Fund attributable to the Board are included in the Balance Sheet at their fair value:

- quoted securities – current bid price
- unquoted securities – professional estimate
- unitised securities – current bid price
- property – market value.

The change in the net pensions liability is analysed into the following components:

- Service cost comprising:
 - current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to staff costs
 - past service cost – the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years – debited to the Surplus/Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non Distributed Costs
 - net interest on the defined benefit liability (asset), ie net interest expense for the Board – the change during the period in the net defined benefit liability (asset) that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement – this is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined liability (asset) at the beginning of the period – taking into account any changes the net defined benefit liability (asset) during the period as a result of contribution and benefit payments.
- Remeasurements comprising:
 - the return on scheme assets – excluding amounts included in net interest on the net defined benefit liability (asset) – charged to the Pension Reserve as Other Comprehensive Income and Expenditure
 - actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
- contributions paid to the Tayside Pension Fund – cash paid as employer’s contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the General Reserve balance to be charged with the amount payable by the Board to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are appropriations to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact on the General Reserve of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

Discretionary Benefits

The Board also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff are accrued in the year of the decision to make the award and accounted for using the same policies as are

applied to the Local Government Pension Scheme.

G Events After the Reporting Period

Events after the reporting period are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Annual Accounts are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the end of the reporting period – the Annual Accounts are adjusted to reflect such events
- those that are indicative of conditions that arose after the reporting period – the Annual Accounts are not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect

Events taking place after the date of authorisation for issue are not reflected in the Annual Accounts.

H Government Grants and Contributions

Whether paid on account, by instalments or in arrears, government grants and contributions are recognised as due to the Board when there is reasonable assurance that:

- the Board will comply with the conditions attached to the payments, and
- the grants or contributions will be received

Amounts recognised as due to the Board are not credited to the Comprehensive Income and Expenditure Statement until conditions attaching to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset in the form of the grant or contribution are required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor. Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant line (attributable revenue grants and contributions) or Taxation and Non-specific Grant Income and Expenditure (non-ringfenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement. Where contributions are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Reserve Balance in the Movement in Reserves Statement. Where the grant or contribution has yet to be used to finance capital expenditure, it is posted to the Capital Contributions Unapplied Account. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Contributions Unapplied Account are transferred to the Capital Adjustment Account once they have been applied.

I Leases

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases. Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification. Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets.

The Board as Lessee

Finance Leases

Property, plant and equipment held under finance leases is recognised on the Balance Sheet at the

commencement of the lease together with an equivalent deferred liability for the obligation to pay the lessor. Where applicable, any initial direct costs of the Board are added to the carrying amount of the asset. Any premiums paid on entry into a lease are applied to writing down the lease liability. Contingent rents are charged as expenses in the years in which they are incurred.

Lease payments are apportioned between:

- a charge for the acquisition of the interest in the property, plant or equipment – applied to write down the lease liability, and
- a finance charge (debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement)

Property, Plant and Equipment recognised under finance leases is accounted for using the relevant accounting policies applied generally to such assets eg depreciation, revaluation and impairment review.

Operating Leases

Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense. Charges are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (eg if there is a rent-free period at the commencement of the lease).

J Property, Plant and Equipment

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment.

Recognition

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Board and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred.

Measurement

Assets are initially measured at cost, comprising:

- the purchase price
- any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management

Assets are then carried in the Balance Sheet at fair value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV).

Impairment

Assets are assessed at each year-end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall. The carrying amount of the asset is written down in the Comprehensive Income and Expenditure Statement. Where an impairment loss is reversed subsequently, the reversal is credited to the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

Disposals

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Amounts received for disposals are categorised as capital receipts. The balance of receipts is required to be credited to the Capital Receipts Reserve, and can then only be used for new capital investment or set aside to reduce the Board's underlying need to borrow (the capital financing requirement). Receipts are appropriated to the Reserve from the General Reserve Balance in the Movement in Reserves Statement. The written-off value of disposals is not a charge against requisition income, as the cost of fixed assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Reserve Balance in the Movement in Reserves Statement.

Depreciation

Depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives. Depreciation for computer equipment is calculated on the straight line basis over 5 years.

K Provisions, Contingent Liabilities and Contingent AssetsProvisions

Provisions are made where an event has taken place that gives the Board a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. For example, the Board may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation. Provisions are charged as an expense to the Comprehensive Income and Expenditure Statement in the year that the Board becomes aware of the obligation, and measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties. When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year – where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the Comprehensive Income and Expenditure Statement. Where some or all of the payment required to settle a provision is expected to be recovered from another party (eg from an insurance claim), this is only recognised as income for the Board if it is virtually certain that reimbursement will be received if the Board settles the obligation.

Contingent Liabilities

A contingent liability arises where an event has taken place that gives the Board a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Board. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably. Contingent liabilities are not recognised in the Balance Sheet but are disclosed in a note to the accounts.

Contingent Assets

A contingent asset arises where an event has taken place that gives the Board a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Board. Contingent assets are not recognised in the Balance Sheet but are

disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

L Reserves

Reserves are created by appropriating amounts out of the General Reserve Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the Surplus/Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the General Reserve Balance in the Movement in Reserves Statement so that there is no net charge against requisition income for the expenditure. Certain reserves are kept to manage the accounting processes for non-current assets and retirement benefits and these reserves do not represent usable resources for the Board. Further information on the Board's reserves is contained in notes 9 and 10.

M VAT

VAT payable is included as an expense only to the extent that it is not recoverable from Her Majesty's Revenue and Customs. VAT receivable is excluded from income.

2 CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

In applying the accounting policies set out in Note 1, the Board has had to make certain judgements about future events. The key judgement made in the Annual Accounts relates to the high degree of uncertainty about future levels of funding for public bodies. The Board has determined that this uncertainty is not sufficient to provide an indication that the assets of the Board might be impaired as a result of a need to reduce levels of service provision.

3 ASSUMPTIONS MADE ABOUT THE FUTURE AND OTHER MAJOR SOURCES OF ESTIMATION UNCERTAINTY

The Annual Accounts contains estimated figures that are based on assumptions made by the Board about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The key item in the Board's Balance Sheet at 31 March 2015 for which there is a significant risk of material adjustment in the forthcoming financial year is as follows:

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Pensions Liability	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Board with expert advice about the assumptions to be applied.	The effects on the net pensions liability of changes in individual assumptions can be measured. For instance, a 0.1% increase in the discount rate assumption would result in a decrease in the pension liability of £514,000.

4 MOVEMENT IN RESERVES STATEMENT - ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the Board in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Board to meet future capital and revenue expenditure.

2014/2015	General Reserve Balance £000	Movement in Unusable Reserves £000	Total 2014/2015 £000
Adjustments involving the Capital Adjustment Account:			
<u>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:</u>			
Charges for depreciation and impairment of non current assets	(32)	32	-
Capital contributions that have been applied to capital financing	97	(97)	-
Adjustments involving the Pensions Reserve:			
Reversal of items relating to post employment benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement (see note 18)	(939)	939	-
Employer's pensions contributions and direct payments to pensioners payable in the year	369	(369)	-
Adjustment involving the Accumulating Compensated Absences Adjustment Account:			
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(21)	21	-
Total Adjustments	(526)	526	-
2013/2014	General Reserve Balance £000	Movement in Unusable Reserves £000	Total 2013/2014 £000
Adjustments involving the Capital Adjustment Account:			
<u>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:</u>			
Charges for depreciation and impairment of non current assets	(31)	31	-
Capital contributions that have been applied to capital financing	23	(23)	-
Adjustments involving the Pensions Reserve:			
Reversal of items relating to post employment benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement (see note 18)	(767)	767	-
Employer's pensions contributions and direct payments to pensioners payable in the year	366	(366)	-
Adjustment involving the Accumulating Compensated Absences Adjustment Account:			
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(2)	2	-

Total Adjustments	(411)	411	-
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5	COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT - OTHER OPERATING INCOME & EXPENDITURE		
	2013/2014		2014/2015
	£000		£000
	(427)	Recharge for Electoral Registration (Note 14)	(439)
	(9)	Other Income	(7)
	(436)	Total	(446)

6	COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT - FINANCING AND INVESTMENT INCOME AND EXPENDITURE		
	2013/2014		2014/2015
	£000		£000
	265	Net interest on the net defined benefit liability (asset)	374
	(2)	Interest receivable and similar income	(2)
	263	Total	372

7	COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT – TAXATION AND NON-SPECIFIC GRANT INCOME		
	2013/2014		2014/2015
	£000		£000
	(46)	Government Grants (see note 29)	(151)
	(46)	Total	(151)

8	COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT - RECOGNISED CAPITAL INCOME		
	2013/2014		2014/2015
	£000		£000
	(23)	Capital Contributions from Constituent Authorities in year	(23)
	-	Capital Contributions from UK Cabinet Office	(74)
	(23)	Total	(97)

9 BALANCE SHEET - USABLE RESERVES

Movements in the Board's usable reserves are detailed in the Movement in Reserves Statement on page 22

10 **BALANCE SHEET - UNUSABLE RESERVES**

2013/2014 £000		2014/2015 £000
44	Capital Adjustment Account	109
(8,163)	Pensions Reserve	(5,891)
(78)	Accumulating Compensated Absences Adjustment Account	(99)
(8,197)	Total Unusable Reserves	(5,881)

Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or enhancement as depreciation and impairment losses are charged to the Comprehensive Income and Expenditure Statement. The Account is credited with the amounts set aside by the Board as finance for the costs of acquisition, construction and enhancement.

Note 4 provides details of the source of all the transactions posted to the Account.

2013/2014 £000		2014/2015 £000
52	Balance at 1 April	44
	Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:	
(31)	• Charges for depreciation and impairment of non current assets	(32)
	Capital financing applied in the year:	
23	• Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	97
44	Balance at 31 March	109

Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post employment benefits and for funding benefits in accordance with statutory provisions. The Board accounts for post employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Board makes employer's contributions to pensions funds or eventually pays any pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Board has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

2013/2014 £000		2014/2015 £000
(5,742)	Balance at 1 April	(8,163)
(2,020)	Re-measurement of the net defined benefit liability/(asset)	2,842
(767)	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	(939)
366	Employer's pensions contributions and direct payments to pensioners payable in the year	369
(8,163)	Balance at 31 March	(5,891)

Accumulating Compensated Absences Adjustment Account

The Accumulating Compensated Absences Adjustment Account absorbs the differences that would otherwise arise on the General Reserve Balance from accruing for compensated absences earned but not taken in the year. Statutory arrangements require that the impact on the General Reserve Balance is neutralised by transfers to or from the Account.

2013/2014 £000		2014/2015 £000
(76)	Balance at 1 April	(78)
76	Settlement or cancellation of accrual made at the end of the preceding year	78
(78)	Amounts accrued at the end of the current year	(99)
(2)	Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(21)
(78)	Balance at 31 March	(99)

11 **CASH FLOW STATEMENT - OPERATING ACTIVITIES**

The cash flows for operating activities include the following items:

2013/2014		2014/2015
£000		£000
(2)	Interest received	(2)
(2)	Total Operating Activities	(2)

12 **CASH FLOW STATEMENT - INVESTING ACTIVITIES**

2013/2014		2014/2015
£000		£000
23	Purchase of property, plant and equipment, investment property and intangible assets	97
23	Total Investing Activities	97

13 **CASH FLOW STATEMENT - CASH AND CASH EQUIVALENTS**

The balance of Cash and Cash Equivalents is made up of the following elements:

31 March 2014		31 March 2015
£000		£000
416	Bank current account	333
416	Total cash and cash equivalents	333

14 **AMOUNTS REPORTED FOR RESOURCE ALLOCATION DECISIONS**

The expenditure of the Board is matched to requisition income from the Constituent Councils resulting in a break-even position at the end of the year, and therefore no change in the General Reserve balance. The level of detail provided in the quarterly Revenue Monitoring reports presented to the Board is in line with the detail given in the Comprehensive Income and Expenditure Statement. However, this information is prepared on a different basis from the accounting policies used in the financial statements. In particular:

- no charges are made in relation to capital expenditure (whereas depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement)
- the cost of retirement benefits is based on cash flows (payment of employer's pensions contributions) rather than current service cost of benefits accrued in the year

The summary of the Board's income and expenditure in line with the Revenue Monitoring reports format for the year is as follows:

Divisional Income and Expenditure	Total
2013/2014	£000
Requisition and other income	<u>(3,349)</u>
Total Income	(3,349)
Employee expenses	2,498
Other service expenses	<u>851</u>
Total Expenditure	3,349
Net Expenditure	<u>-</u>

Divisional Income and Expenditure	Total
2014/2015	£000
Requisition & other income	<u>(3,427)</u>
Total Income	(3,427)
Employee expenses	2,560
Other service expenses	<u>867</u>
Total Expenditure	3,427
Net Expenditure	<u>-</u>

	2013/2014 £000	2014/2015 £000
Total (Surplus) or Deficit for the year	-	-
Amounts in the Comprehensive Income and Expenditure Statement not reported to the Board in the Revenue Monitoring reports (Note 4)	<u>411</u>	<u>526</u>
(Surplus) or Deficit on Provision of Services	411	526

15 AGENCY SERVICES

Tayside Valuation Joint Board provides a comprehensive electoral registration service on behalf of Angus Council and Perth & Kinross Council.

	2013/2014 £000	2014/2015 £000
Expenditure incurred in providing electoral registration services to Angus Council	172	177
Fee payable by Angus Council	<u>172</u>	<u>177</u>
Net surplus arising on the agency arrangement	<u>-</u>	<u>-</u>
Expenditure incurred in providing electoral registration services to Perth & Kinross Council	255	262
Fee payable by the Perth & Kinross Council	<u>255</u>	<u>262</u>
Net surplus arising on the agency arrangement	<u>-</u>	<u>-</u>

16 MEMBERS ALLOWANCES

The Valuation Joint Board were recharged by Angus Council for the following allowance paid to the Vice-Convener:

	2013/2014 £000	2014/2015 £000
Vice-Convener's Allowance	3	3
Total Members Allowances	3	3

17 EXTERNAL AUDIT COSTS

The Board has incurred the following costs in relation to the audit of the Annual Accounts.

	2013/2014 £000	2014/2015 £000
Fees payable to Audit Scotland with regard to external audit services carried out by the appointed auditor for the year	7	7
Total	7	7

18 DEFINED BENEFIT PENSION SCHEMES

Participation in pension schemes

As part of the terms and conditions of employment of its officers, Tayside Valuation Joint Board makes contributions towards the cost of post employment benefits. Although these benefits will not actually be payable until employees retire, the Board has a commitment to make the payments and this needs to be disclosed at the time that employees earn their future entitlement.

The Board participates in the Local Government Superannuation Scheme (Tayside Pension Fund), which is administered by Dundee City Council and is a Defined Benefits Scheme. In addition the Board has liabilities for discretionary pension payments outside the main scheme. IAS 19 information is provided by Barnett Waddingham LLP, the independent actuaries to the Fund.

Transactions relating to post employment benefits

The cost of retirement benefits is recognised in the Net Cost of Services when they are earned by employees, rather than when the benefits are eventually paid as pensions, however, the real cost of retirement benefits is reversed out of the General Reserve via the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Reserve Balance via the Movement in Reserves Statement during the year:

	Local Government Superannuation Scheme	
	2013/2014 £000	2014/15 £000
Comprehensive Income and Expenditure Statement		
Cost of Services:		
• service cost	502	565
Financing and Investment Income and Expenditure		
• net interest on the defined liability (asset)	256	367
• administration expenses	9	7
Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services	767	939
Other Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement		
Remeasurement of the net defined liability comprising:		
• Return on plan assets (excluding the amount included in the net interest expense)	484	1,724
• Actuarial gains and losses arising on changes in demographic assumptions	(617)	1,010
• Actuarial gains and losses arising on changes in financial assumptions	(1,927)	(2,292)
• Other	40	2,399
	(2,020)	2,841
Total Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement	(1,253)	3,780
Movement in Reserves Statement		
• reversal of net changes made to the Surplus or Deficit for Provision of Services for post employment benefits in accordance with the Code	(767)	(939)
<i>Actual amount charged against the General Reserve Balance for pensions in the year:</i>		
• employers' contributions payable to scheme	366	369

Pensions Assets and Liabilities Recognised in the Balance Sheet

The amount included in the Balance Sheet arising from the Board's obligation in respect of its defined benefit scheme is as follows:

	Local Government Pension Scheme	
	2013/2014 £000	2014/2015 £000
Present value of funded obligation	25,895	27,045
Fair value of Scheme assets (bid value)	17,991	21,478
Net liability	7,904	5,567
Present value of unfunded obligation	259	324
Net liability in balance sheet	8,163	5,891

Reconciliation of fair value of the scheme assets:

	Local Government Pension Scheme	
	2013/2014 £000	2014/2015 £000
Opening balance at 1 April	17,041	17,991
Interest income on assets	777	827
Remeasurement gain/(loss):		
Return on assets less interest	484	1,724
Other Actuarial gains/(losses)	-	973
Administrative expenses	(9)	(7)
Employer contributions	365	369
Contributions by scheme participants	130	131
Benefits paid	(797)	(531)
Closing balance at 31 March	<u>17,991</u>	<u>21,478</u>

Reconciliation of present value of the scheme liabilities (defined benefit obligation):

	Funded liabilities: Local Government Pension Scheme	
	2013/2014 £000	2014/2015 £000
Opening balance at 1 April	22,783	26,154
Current service cost	502	565
Interest cost	1,033	1,194
Contributions by scheme participants	130	131
<i>Remeasurement gains & losses:</i>		
- Change in financial assumptions	1,927	3,265
- Change in demographic assumptions	617	(1,010)
Experience loss/(gain) on defined benefit obligation	(41)	(2,399)
Benefits paid	(797)	(531)
Closing balance at 31 March	<u>26,154</u>	<u>27,369</u>

The estimated asset allocation of the Local Government Pension Scheme's assets relating to the Board consist of the following categories, by proportion of the total assets held:

	31 March 2014		31 March 2015	
	£000s	%	£000s	%
Equities	12,774	71%	15,210	71%
Gilts	900	5%	1,177	5%
Other Bonds	2,338	13%	2,714	13%
Property	1,619	9%	2,141	10%
Cash	360	2%	236	1%
	17,991	100%	21,478	100%

Basis for estimating assets and liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels, etc. The Tayside Pension Fund has been assessed by Barnett Waddingham, an independent firm of actuaries, based on the latest triennial actuarial valuation as at 31 March 2015.

The significant assumptions used by the actuary have been:

	Local Government Pension Scheme	
	2013/2014	2014/2015
<i>Mortality assumptions:</i>		
Longevity at 65 for current pensioners (years):		
Men	21.0	21.2
Women	23.3	23.2
Longevity at 65 for future pensioners (years):		
Men	23.2	23.4
Women	25.6	25.5
<i>Other assumptions:</i>		
Rate of inflation (RPI)	3.7%	3.3%
Rate of inflation (CPI)	2.9%	2.5%
Rate of increase in salaries	5.1%	4.3%
Rate of increase in pensions	2.9%	2.5%
Rate for discounting scheme liabilities	4.6%	3.4%

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analyses below have been determined based on reasonably possible

changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all the other assumptions remain constant. The assumptions in longevity, for example, assume that life expectancy increases or decreases for men and women. In practice, this is unlikely to occur, and changes in some of the assumptions may be interrelated. The estimations in the sensitivity analysis have followed the accounting policies for the scheme, i.e. on an actuarial basis using the projected unit cost method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in the previous period.

Impact on the defined benefit obligation in the Scheme, (based on projected value of total obligation of £27.369m and projected service cost of £518,000 at 31st March 2016):

	£000	£000
Adjustment to discount rate:	-0.1%	-0.1%
Present value of total obligation	26,855	27,894
Projected service cost	506	530
Adjustment to long term salary increase:	+0.1%	-0.1%
Present value of total obligation	27,476	27,263
Projected service cost	518	518
Adjustment to pension increases and deferred revaluation:	-0.1%	-0.1%
Present value of total obligation	27,790	26,956
Projected service cost	530	506
Adjusted to mortality age rating assumption	+1 Year	-1 Year
Present value of total obligation	27,6,355	28,391
Projected service cost	499	537

Impact on the Board's Cash Flows

The total contributions expected to be made to the Local Government Pension Scheme by the Board in the year to 31 March 2016 are £314,000.

The weighted average duration of the defined benefit obligation for scheme members is 23 years in 2015/2016 (2014/2015 – 23 years)

19 EVENTS AFTER THE BALANCE SHEET DATE

There were no events that occurred between 1 April 2015 and xx June 2015 that would have an impact on the 2014/15 financial statements. The latter date is the date on which the accounts were authorised for issue by the Treasurer.

20 RELATED PARTIES

The Board is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence the Board or to be controlled or influenced by the Board.

Disclosure of these transactions allows readers to assess the extent to which the Board might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Board.

The three Constituent Councils are considered to be related parties of the Valuation Joint Board and during the 2014/2015 financial year, the Board entered into a number of transactions with the Constituent Councils as detailed below:

2013/2014			2014/2015	
Charges To £000	Charges From £000		Charges To £000	Charges From £000
Angus Council				
(757)	-	Valuation Services Requisition	(747)	-
(172)	-	Electoral Services Recharge	(177)	-
(8)	-	Contribution to Capital Expenditure	(8)	-
(1)	-	Sundry Recoveries and Sales	(1)	-
-	3	Vice-Convenor Recharge	-	3
-	6	Office Cleaning Services	-	6
-	18	Property Rental (Ravenswood)	-	18
(938)	27		(933)	27
Dundee City Council				
(954)	-	Valuation Services Requisition	(942)	-
(8)	-	Contribution to Capital Expenditure	(8)	-
(2)	-	Interest Receivable	(2)	-
-	24	Central Support Services	-	30
(964)	24		(952)	30
Perth & Kinross Council				
(1,154)	-	Valuation Services Requisition	(1,139)	-
(255)	-	Electoral Services Recharge	(262)	-
(8)	-	Contribution to Capital Expenditure	(8)	-
(1)	-	Sundry Recoveries and Sales	(1)	-
(1,418)	-		(1,410)	-

The undernoted balance existed between the Board and its related parties as at 31 March 2015.

31 March 2014			31 March 2015	
Amounts Due From £000	Amounts Due To £000		Amounts Due From £000	Amounts Due To £000
Angus Council				
-	63	Valuation Services Requisition	-	10
-	14	Electoral Services Recharge	(6)	-
-	77		(6)	10
Dundee City Council				
-	-	Valuation Services Requisition	-	12
(2)	-	Interest Receivable	(2)	-
(2)	-		(2)	12
Perth & Kinross Council				
-	-	Valuation Services Requisition	-	15
-	-	Electoral Services Recharge	(7)	-
-	-		(7)	15

21 **LEASES**Board as Lessee*Finance Leases*

The Valuation Joint Board held no assets on finance lease during 2014/2015 and accordingly, there were no finance lease rentals paid to lessors during 2014/2015 (2013/2014 None).

Operating Leases

The Valuation Joint Board occupied office premises in Dundee, Perth and Forfar on operating leases during 2014/2015. The total operating lease rentals paid to lessors in 2014/2015 were £162,200 (2013/2014 £162,200).

In addition, Dundee City Council administers a Contract Car Hire Scheme on behalf of the employees of the Joint Board. In the financial year 2014/2015, total operating lease rental payments of £63,276 (2013/2014 £61,717) were made by the Board to the lessor, offset by contributions of £37,858 from employees (2013/2014 £38,110).

In respect of operating leases at 31 March 2015, the Valuation Joint Board is committed to making payments to lessors of £712,344 (at 31 March 2014 - £916,129). This comprises the following elements:

The future minimum lease payments due under non-cancellable leases in future years are

	31 March 2014	31 March 2015
	£000	£000
Not later than one year	217	196
Later than one year and not later than five years	532	405
Later than five years	167	111
	916	712

The expenditure charged to the Comprehensive Income and Expenditure Statement during the year in relation to these leases was:

	31 March 2014	31 March 2015
	£000	£000
Lease payments	224	225
Employee contributions	(38)	(38)
	186	187

22 **PROPERTY, PLANT AND EQUIPMENT***Movements on Balances*

Movements in 2014/2015:

	Total
	£000
Gross Book Value	
At 1 April 2014	219
Additions	97
Disposals	-
At 31 March 2015	316
Accumulated Depreciation and Impairment	
At 1 April 2014	(132)
Depreciation charge	(32)
Written Back on Disposals	-
At 31 March 2015	(164)
Net Book Value	
At 31 March 2015	152
At 31 March 2014	87

Comparative Movements in 2013/2014:

	Total
	£000
Gross Book Value	
At 1 April 2013	196
Additions	23
Disposals	-
At 31 March 2014	219
Accumulated Depreciation and Impairment	
At 1 April 2013	(101)
Depreciation charge	(31)
Written Back on Disposals	-
At 31 March 2014	(132)

Depreciation

For the calculation of depreciation, all assets have been assigned a useful economic life of 5 years with no residual value assumed.

Capital Commitments

At its meeting on 26th January 2015, the Joint Board approved a new 3 year Capital Programme (2015 - 2018) which reflected the latest phasing of existing projects. The new programme for capital expenditure is as follows:

- 2015/2016 - £23,000
- 2016/2017 - £23,000
- 2017/2018 - £23,000

The programme is to be funded by capital contributions from the three Constituent Councils. None of the proposed expenditure in the 2015-2018 programme was legally committed as at 31 March 2015.

23 CAPITAL EXPENDITURE AND CAPITAL FINANCING

The total amount of capital expenditure incurred in the year is shown in the table below, together with the resources that have been used to finance it.

	2013/2014 £000	2014/2015 £000
<i>Capital investment:</i>		
Property, Plant and Equipment	23	97
<i>Sources of finance:</i>		
Contributions from Constituent Councils in year	(23)	(23)
Contributions from Grant – UK Cabinet Office	-	(74)
<i>Closing Capital Financing Requirement</i>	-	-

24 SHORT TERM DEBTORS

	31 March 2014 £000	31 March 2015 £000
Central government bodies	14	36
Local authorities	2	2
Other entities and individuals	36	143
Total	52	181

25 SHORT TERM CREDITORS

	31 March 2014 £000	31 March 2015 £000
Central government bodies	83	2
Local authorities	178	36
Other entities and individuals	170	460
Total	431	498

26 CONTINGENT LIABILITIES

No contingent liabilities existed at 31 March 2015 (31 March 2014 None).

27 CONTINGENT ASSETS

No contingent assets existed at 31 March 2015 (31 March 2014 None).

28 **CAPITAL CONTRIBUTION INCOME**

The Authority credited the following contributions to the Comprehensive Income and Expenditure Statement:

	2013/2014 £000	2014/2015 £000
Capital Contributions from Constituent Councils	23	23
Capital Contributions – UK Cabinet Office	-	74
Total	23	97

The Authority has received contributions in previous years that have yet to be recognised as income as they have conditions attached to them that will require the monies to be returned to the Constituent Councils should they not be required to fund the capital programme. The movements in the year are as follows:

	31 March 2014 £000	31 March 2015 £000
Capital Contributions Receipts in Advance:		
At 1 April	55	55
Capital Contributions received in year		
Constituent Councils	23	23
UK Cabinet Office	-	74
Transfer to Recognised Capital Income	(23)	(97)
At 31 March	55	55

29 **GRANT INCOME**

The Board credited the following grants to the Comprehensive Income and Expenditure statement:

	31 March 2014 £000	31 March 2015 £000
Scottish Government – Scottish Referendum Funding	20	28
UK Cabinet Office – Individual Electoral Registration Funding	26	123
Total	46	151

A proportion of the funding received from the UK Cabinet Office for Individual Electoral Registration has yet to be recognised as income and the balance at the year end is as follows:

	31 March 2014 £000	31 March 2015 £000
UK Cabinet Office – Individual Electoral Registration Funding	82	127
Total	82	127

This balance is included in Short Term Creditors in the Balance Sheet.

INDEPENDENT AUDITOR'S REPORT

The Annual Accounts set out in pages 13-47 are subject to audit in accordance with the requirements of Part vii of the Local Government (Scotland) Act 1973.

The Auditor appointed for this purpose by the Accounts Commission for Scotland is:

Andy Shaw
Director
KPMG LLP
191 West George Street
GLASGOW
G2 2LJ