

# **TAYSIDE VALUATION JOINT BOARD**

## **ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021**

**AUDITED**

**REPORT NO: TVJB21-2021**

**AUGUST 2021**

# Tayside Valuation Joint Board

## Annual Accounts 2020/2021

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## TAYSIDE VALUATION JOINT BOARD




### MANAGEMENT COMMENTARY

#### 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 Joint 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 at the end of 2020/21 is shown below.

The Joint 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 Joint Board provides the administrative framework within which the Assessor's Service operates. The Joint Board Members provide an essential link between the Assessor, the Councils in the area and the electorate. Electoral registration in the Dundee City Council area is carried out in the Support Services Department of Dundee City Council

At the end of the financial year 2020/21, the Members and Officials of the Joint Board were:

<b>Representing Dundee City Council</b>	
Bailie Christina Roberts (Vice Convener) Depute Lord Provost Bill Campbell Councillor George McIrvine Councillor Margaret Richardson Councillor Steven Rome Councillor Philip Scott	
<b>Representing Angus Council</b>	
Councillor Gavin Nicol (Convener) Councillor Richard Moore Councillor Beth Whiteside Councillor Ron Sturrock	
<b>Representing Perth and Kinross Council</b>	
Councillor Angus Forbes (Spokesperson) Councillor Audrey Coates Councillor Anne Jarvis Councillor Sheila McCole Councillor Michael Williamson	
<b>Assessor</b>	
Mr Alastair Kirkwood BSc, MRICS (Dip Rating), IRRV (Hons), AEA	
<b>Clerk to the Joint Board</b>	
Mr Roger Mennie LLB (Hons), DipLP, Dundee City Council	
<b>Treasurer</b>	
Mr Robert Emmott, BSc, CPFA, Dundee City Council	

## TAYSIDE VALUATION JOINT BOARD

### CONTACT DETAILS

The Assessor can be contacted at:

Tayside Valuation Joint Board  
William Wallace House  
Orchard Loan  
Orchardbank Business Park  
Forfar  
ANGUS DD8 1WH  
Tel: 01307 499910  
Fax: 01307 499950  
  
Email:- [assessor@tayside-vjb.gov.uk](mailto:assessor@tayside-vjb.gov.uk)



For properties in Angus Council or Dundee City Council Areas, contact:

Tayside Valuation Joint Board  
William Wallace House  
Orchard Loan  
Orchardbank Business Park  
FORFAR DD8 1WH  
Tel: 01307 462416  
Fax: 01307 468631  
  
Email: [angus@tayside-vjb.gov.uk](mailto:angus@tayside-vjb.gov.uk)



For properties in Perth & Kinross Council Area, contact:

Tayside Valuation Joint Board  
Robertson House  
Whitefriars Crescent  
PERTH PH2 0LG  
Tel: 01738 630303  
Fax: 01738 639753  
  
Email: [perth@tayside-vjb.gov.uk](mailto:perth@tayside-vjb.gov.uk)



The Valuation Joint Board's website address is: [www.tayside-vjb.gov.uk](http://www.tayside-vjb.gov.uk)

The Scottish Assessors website address is: [www.saa.gov.uk](http://www.saa.gov.uk)

## TAYSIDE VALUATION JOINT BOARD

### MANAGEMENT COMMENTARY

#### INTRODUCTION

We are pleased to present the Annual Accounts for Tayside Valuation Joint Board (“the Board”) for the year ended 31 March 2021. The accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2020/2021 (“the Code”). This Management Commentary provides a context for the annual accounts, an analysis of performance during the year and an insight into the priorities and plans for the Joint Board. The principal financial risks and uncertainties facing the Joint Board are identified, together with the potential impact and actions being taken.

The Board was established by the Valuation Joint Boards (Scotland) Order 1995 and came into existence on 1<sup>st</sup> April 1996. The Joint Board provides a range of valuation and electoral registration services to Angus and Perth & Kinross Councils, and valuation services to Dundee City Council, working in partnership with other Valuation Joint Boards and professional bodies throughout Scotland.

#### Mission, Vision and Strategic Objectives

The Joint Board’s Corporate Plan 2019-2022 (“the Plan”) was approved in June 2019. The Joint Board’s Mission is to “ensure best value and provide equitable, customer focussed, high quality, professional valuation and electoral services for all its stakeholders”. The Joint Board’s Vision is to “provide valuation and electoral services in accordance with statute and in a manner that is exemplary.”

The plan identifies the core Strategic Objectives to help it fulfil the Board’s Mission and Vision, and so ensure:-

- statutory duties are completed fully and on time.
- customer knowledge is improved and ensure attainment of good Community Focus.
- the performance management and planning framework is reviewed to ensure continuous improvement in service delivery.
- effective balance of responsibility and authority.
- Standards of Conduct are adhered to.
- efficiency and quality of service delivery.
- the integrated delivery of efficient government.

Each Strategic Objective is supported by a detailed list of priorities and tasks, against which performance is regularly monitored and reported to the Joint Board.

#### REVIEW OF OPERATIONAL PERFORMANCE

##### The Impact of the Covid-19 Pandemic

In common with other organisations the Joint Board’s operational performance was impacted as a result of the Covid-19 pandemic. In response to the Prime Minister’s statement to the country on 23 March 2020, in which a general lockdown was declared, the Joint Board’s two divisional offices were closed. Arrangements were made to allow staff working from home to access the Board’s computer systems over a secure internet connection in order to maintain service delivery. This entailed the purchase of IT hardware and software and unfortunately high levels of demand for these items meant that some delays to the procurement process were experienced. Internal processes and procedures were re-engineered as required and arrangements were made for both incoming and outgoing mail to be re-directed through existing mail handling partners with the appropriate files being exchanged electronically. In this way service delivery was maintained throughout the year although some reduction in performance was experienced.

The Board’s two divisional offices remained closed to the public throughout the financial year although staff attended each office as required to deal with urgent matters.

##### Non-Domestic Rating

The Assessor has continued to maintain the Valuation Roll during the year, processing new entries, deletions and amendments as required using the remote procedures outlined above. The Finance Departments of the

three constituent authorities were advised of changes weekly, supporting the efficient collection of non-domestic rates income. The Scottish Assessors' Association's website, which contains details of Valuation Roll entries on an all Scotland basis, was also updated weekly ensuring that the most up to date information for Tayside is widely available.

The Scottish Assessors' website also provides details of valuation calculations for 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 11,734 current valuations available for Tayside properties, representing 53.7% of all current Tayside entries.

The cumulative effect of all changes to entries in the Tayside Valuation Rolls during 2020/21 is shown below. These changes reflect additions, deletions and the effect of appeal settlements.

Local Authority Area	Total No of Subjects		Rateable Value		Net Effect
	1/4/20	31/03/2021	At 01/04/2020	At 31/03/2021	
Angus Council	5,584	5,644	£80,718,875	£80,150,395	- £568,480
Dundee City Council	6,021	6,043	£191,147,300	£188,603,560	- £2,543,740
Perth & Kinross Council	10,073	10,133	£163,141,743	£161,066,154	- £2,075,589
Total	21,678	21,820	£435,007,918	£429,820,109	- £5,187,809

Performance levels in relation to Valuation Roll maintenance are measured by 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 during 2020/21 are detailed in the table below. Reflecting the difficulties presented by the Covid-19 pandemic, the originally set targets of 72.5% of alterations within 3 months and 88% within 6 months were amended mid-way through the year to 60% of alterations within 3 months and 90% within 6 months. Performance was slightly above the revised target for 3 months and a little below the target for 6 months.

Local Authority Area	No of new and altered entries	Percentage entered or amended within		
		3 months	6 months	more than 6 months
Angus Council	270	70.40%	83.70%	16.30%
Dundee City Council	350	66.60%	86.30%	13.70%
Perth & Kinross Council	596	57.40%	82.10%	17.90%
Total	1,216	62.90%	83.60%	16.40%

### General Non-Domestic Rating Revaluation

The Assessor has a statutory duty to carry out a Revaluation of all non-domestic property in the Valuation Area at prescribed times. The current Revaluation, which came into effect on 1 April 2017, was scheduled to remain in force until 31 March 2022. However, in light of the circumstances of the Covid-19 pandemic the Scottish Government enacted legislation to prescribe that the next revaluation will be delayed until 1 April 2023.

A key feature of the system of Non-Domestic Rates system is that each proprietor, tenant and occupier may, if they feel aggrieved by the new valuation, lodge a formal appeal. Appeals can be lodged against a "Revaluation" assessment within certain statutory time limits. "Running Roll" appeals can also be lodged on an ongoing basis in respect of any new or amended entries in the Valuation Roll, or on the ground that there has been an "error" or that there has been a "material change of circumstances" affecting the value of the property. Details of the relevant mechanisms and time limits for appeals are included with each Valuation Notice and published on-line and in the press.

During the course of the year staff have been heavily engaged in dealing with both Revaluation Appeals and Running Roll Appeals. A summary of appeal receipt and disposal progress as at 31 March 2021 is shown below.

	Appeals Received	Appeals Resolved	Appeals Resolved		Appeals Outstanding	
			Original RV	Resolved RV	Appeals	RV
2010 Revaluation	6,017	6,011	£330,427,768	£308,397,575	6	£122,900
2010/11 Running Roll	2,920	2,919	£229,545,190	£226,486,900	1	£103,000
2011/12 Running Roll	3,016	3,016	£235,968,895	£234,404,870	0	£0
2012/13 Running Roll	470	470	£59,231,235	£55,930,085	0	£0
2013/14 Running Roll	238	235	£33,473,325	£31,271,145	3	£128,500
2014/15 Running Roll	314	312	£32,467,300	£29,866,060	2	£59,300
2015/16 Running Roll	154	153	£12,261,400	£11,337,320	1	£71,400
2016/17 Running Roll	161	160	£17,366,625	£15,979,330	1	£38,400
2017 Revaluation	6,255	5,940	£291,346,401	£273,446,975	315	£40,225,275
2017/18 Running Roll	610	588	£26,232,640	£23,146,920	22	£7,907,300
2018/19 Running Roll	246	231	£24,221,930	£21,738,725	15	£6,697,750
2019/20 Running Roll *	2,852	192	£21,988,600	£20,367,200	2,660	£206,448,630
2020/21 Running Roll *	2,664	25	£1,384,850	£1,297,650	2,639	£191,308,174

\* These years include a substantial number of additional appeals which relate to the ongoing Covid-19 pandemic. These appeals have been lodged on the basis that the altered economic situation, and the legally enforced lockdown arising from the pandemic, constitute a material change of circumstances such that Rateable Values should be reduced. This will represent a significant additional work stream going forward.

### Non-Domestic Rating Reform

During the course of the year the Assessor, through the Scottish Assessors' Association, has continued to work closely with the Scottish Government to implement the recommendations of the Barclay Review of Non-Domestic Rates. The majority of the recommendations set out by the Review were taken forward by the Scottish Government in the Non-Domestic Rates (Scotland) Act 2020. The Act, amongst other things, makes provisions for three yearly revaluations, the inclusion in the Valuation Roll of markers related to business growth accelerator relief, the entering of certain subjects within parks in the Valuation Roll, new information gathering powers for Assessors and a new system of proposals and appeals. Arrangements have been made to apply those measures that have been implemented to date. Further work is planned in respect of those measures that will be implemented in the run up to the next General Revaluation, which will come into force on 1 April 2023, and this will include work that will be undertaken in conjunction with colleague Assessors to upgrade the Scottish Assessors' Association Portal to provide the necessary enhancements.

### Council Tax Banding

The Valuation Lists, which comprises approximately 213,579 entries, were 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 lists were 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 Lists are 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 2020/21 and the period taken between their completion and entry on the list is detailed in the following table. Reflecting the difficulties presented by the Covid-19 pandemic, the originally set targets of 93% of new entries being made within 3 months and 98% within 6 months were amended mid-way through the year to 80% within 3 months and 95% within 6 months. The performance achieved was above the revised targets.

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	469	91.50%	98.30%	1.70%
Dundee City Council	306	94.80%	100.00%	0.00%
Perth & Kinross Council	707	82.90%	95.60%	4.40%
Total	1,482	88.10%	97.40%	2.60%

## Register of Electors

In order to maintain a complete and accurate Register of Electors, various initiatives were undertaken throughout the year to identify potential new electors. These initiatives included obtaining information from house sales information, from the valuation of premises, from Council Tax records supplied by the local authorities, from school records supplied by local authority and/or private schools, and from various other sources. Where appropriate, forms were issued to encourage potential electors to register. Where electors had moved from the address they were removed from the Register and formal notifications were posted to inform them of this. Where the available information was not clear formal reviews were undertaken whereby the elector was invited to confirm their residence or seek a hearing, failing which they would be removed from the Register.

New legislative provisions were enacted during the year by the Scottish Government to enable foreign nationals and certain convicted prisoners to vote in Scottish Parliamentary elections and Local Government elections in Scotland. Appropriate procedures were introduced to reflect these legislative changes and ensure that these electors can engage in the democratic process.

## Elections and Referenda 2020/21

There were no major elections due to take place in 2020/21, however, significant planning and resources were devoted to preparing for the Scottish Parliamentary Election which took place as scheduled on 6 May 2021. The nature of the ongoing Covid-19 pandemic presented a significant number of challenges for both electors and administrators in preparing for this election and the Scottish Government provided additional support including resources to engage temporary staff and amended regulations designed to ensure that the election could be carried out safely. Notwithstanding the challenges, all appropriate preparatory procedures were delivered as agreed with the relevant Returning Officers.

Due to Covid-19 pandemic, two local government by-elections, which were due to take place in Perth & Kinross Council Wards 10 and 11 in May 2020, were rescheduled to November 2020. A further Perth & Kinross local government by-election took place on 25 March 2021. This particular by-election took place during the run up to the Scottish Parliament election on 6 May and procedures and messaging were carefully managed to ensure that electors in this ward were aware of the different timetables and deadlines for registration and absent vote applications in respect of each election.

## 2020 Canvass

The annual canvass of electors commenced in June 2020 under new legislative procedures. Under these procedures the electorate in both Angus and Perth & Kinross were data matched against the UK Government's Digital Service records. If an entire household matched, a Route 1 notification letter was issued to that household to confirm the named electors registered at that address. Households receiving a notification letter did not need to respond to the letter unless they had a change to report. This accounted for some 90,413 properties (68% of households in Angus and Perth & Kinross) and significantly reduced the number of reminder forms and door to door visits that would have been required under the previous format. Of the properties which received a notification letter some 6,740 households responded advising of changes which



resulted in either a review of the elector being carried out for removal, or a new registration form being issued to any new potential electors.

The remaining 40,990 households were sent a Route 2 form (similar to the Household Enquiry Form) and were asked to respond to confirm that either the elector details held were correct or to report any changes. Where no reply was received a reminder form was sent and then households were contacted by telephone and/or email to respond. Due to Covid-19 restrictions, no household visits were permitted.

At the conclusion of the canvass some 15,198 properties had not responded (37% of Route 2 forms), which compares favourably in comparison with the previous legislative procedures where 31,317 households failed to return a canvass form. An individual Invitation to Register form (ITR) was issued to all new electors identified unless the elector had already submitted an online application. Additional efforts were made to encourage the use of text, email or internet service.

A comparison between the Registers of Electors published on 1 December 2020 and those published on 7 November 2019 is as follows:

Local Authority Area	Electorate at 7 November 2019	Electorate at 1 December 2020	Net Change
Angus	89,909	91,143	1,234
Perth & Kinross	115,561	118,407	2,846
Total	205,470	209,550	4,080

### 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 as at 1 December 2020 are as follows:-

Local Authority Area	Total Electorate	Total No of Electors "Opting-Out"	Opt-Outs as %	Total on Open Register
Angus	91,143	41,348	45.4%	49,795
Perth & Kinross	118,407	60,275	50.9%	58,132
Total	209,550	101,623	48.5%	107,927

### Performance Standards

The Electoral Commission has reviewed the format of its performance standards relating to electoral registration and has published details of the new standards that will be applied. However, reflecting both the change to the legislative canvass procedures and the ongoing situation with regard to the Covid-19 pandemic, the Electoral Commission has not undertaken a formal assessment of performance during the 2020/21 year. The new standards will come into effect with the annual canvass in autumn 2021.

Notwithstanding that no formal assessment of performance standards has been undertaken, the Electoral Registration Officer has maintained close contact with the Electoral Commission throughout the year to ensure that all necessary procedures relating to both the annual canvass and preparations for the Scottish Parliamentary election on 6 May 2021 were dealt with appropriately.

### General

The Management of the Joint 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 also 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.

## Financial Performance

### Revenue Expenditure

The Tayside Valuation Joint Board, at its meeting on 20 January 2020, approved the provisional 2020/21 Revenue Budget of £2,765,068 which was then requisitioned from the three Constituent Councils, in line with the following apportionment (based on Councils' 2019/20 GAE figures for Lands Valuation and Council Tax Valuation):

Angus	26.58%	734,955
Dundee City	30.94%	855,512
Perth & Kinross	42.48%	1,174,601
	<b>100.00%</b>	<b>2,765,068</b>

The 2020/2021 Revenue Budget of £2,765,068 did not change from the approved 2019/2020 Revenue Budget. The budget included the use of £26,000 from General Reserve and other net savings, including the review of office accommodation and an assumed 3% pay award, partly offset by a reduction in other budget heads.

The Joint Board received quarterly Revenue Monitoring reports during 2020/2021 in order to keep the members fully appraised as to the projected revenue outturn position. At its meeting on 23 August 2004, the Joint Board agreed that the final underspend on the General Fund in any financial year should be returned to the Constituent Councils.

The following tables reconcile the Revenue Budget approved by the Joint Board on 20<sup>th</sup> January 2020 to the revised budget figures that are included in the Comprehensive Income and Expenditure Statement shown on page 23. Table 1 shows the budget virements made to reflect underlying transfers within the base revenue budget. Table 2 shows budget adjustments required by the 2020/2021 Code of Practice. Actual outturn figures and under/overspends are also shown and are explained in the detailed variance analysis below.

**Table 1**

	<b>2020/21 Approved Budget</b>	Electoral Registration	Barclay Review	Postal Vote Funding	Household Notification Letters	Monitored Budget
	£	£	£	£	£	£
Staff Costs	2,968	(2)	(54)	40	-	2,952
Property Costs	221	-	-	-	-	221
Supplies and Services	323	2	21	32	52	430
Transport Costs	49	-	-	-	-	49
Third Party Payments	50	-	-	-	-	50
<b>Cost of Services</b>	<b>3,611</b>	<b>-</b>	<b>(33)</b>	<b>72</b>	<b>52</b>	<b>3,702</b>
<b>Income</b>						
Other Operating Income & Expenditure	(491)	-	-	-	-	(491)
Financing and Investment Income	(2)	-	-	-	-	(2)
Taxation and Non Specific Other Grant Income	(327)	-	33	(72)	(52)	(418)
<b>(Surplus) or deficit on Provision of Services before Requisitions</b>	<b>2,791</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,791</b>
Recognised Capital Income						
Requisition Income	(2,765)	-	-	-	-	(2,765)
<b>(Surplus)/Deficit for the year on Provision of Services</b>	<b>26</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>26</b>



**Table 2**

	Approved Budget £000	Corp & Democratic Core Re- allocation £000	Depre- ciation £000	Capital Contribution Reallocation £000	Employee Benefits Adjust £000	IAS 19 Adjusts £000	Revised Budget £000	Actual Expend/ (Income) £000	(Under)/ Over Spend £000
Staff Costs	2,952	-	-	-	56	318	<b>3,326</b>	3,214	<b>(112)</b>
Property Costs	221	-	-	-	-	-	<b>221</b>	280	<b>59</b>
Supplies and Services	430	<b>(16)</b>	-	-	-	-	<b>414</b>	467	<b>53</b>
Transport Costs	49	-	-	-	-	-	<b>49</b>	7	<b>(42)</b>
Third Party Payments	50	-	-	-	-	-	<b>50</b>	44	<b>(6)</b>
Depreciation	-	-	38	-	-	-	<b>38</b>	38	-
Corporate & Democratic Core	-	16	-	-	-	-	<b>16</b>	16	-
<b>Cost Of Services</b>	<b>3,702</b>	-	<b>38</b>	-	<b>56</b>	<b>318</b>	<b>4,114</b>	<b>4,066</b>	<b>(48)</b>
Other Operating Income & Expenditure	<b>(491)</b>	-	-	-	-	-	<b>(491)</b>	<b>(491)</b>	-
Financing & Investment Income & Expenditure	<b>(2)</b>	-	-	-	-	73	<b>71</b>	67	<b>(4)</b>
Taxation & Non-Specific Grant Income	<b>(418)</b>	-	-	-	-	-	<b>(418)</b>	<b>(395)</b>	<b>23</b>
<b>Deficit on Provision of Services before Requisition</b>	<b>2,791</b>	-	<b>38</b>	-	<b>56</b>	<b>391</b>	<b>3,276</b>	<b>3,247</b>	<b>(29)</b>
Recognised Capital Income	-	-	-	<b>(29)</b>	-	-	<b>(29)</b>	<b>(29)</b>	-
Requisition Income	<b>(2,765)</b>	-	-	-	-	-	<b>(2,765)</b>	<b>(2,762)</b>	<b>3</b>
<b>Total Deficit</b>	<b>26</b>	-	<b>38</b>	<b>(29)</b>	<b>56</b>	<b>391</b>	<b>482</b>	<b>456</b>	<b>(26)</b>
IAS 19 Adjustments	-	-	-	-	-	<b>(391)</b>	<b>(391)</b>	<b>(391)</b>	-
Other IFRS Code	-	-	-	-	-	-	-	-	-
Accounting Adjustments	-	-	<b>(38)</b>	29	<b>(56)</b>	-	<b>(65)</b>	<b>(65)</b>	-
<b>Total Deficit for the year</b>	<b>26</b>	-	-	-	-	-	<b>26</b>	-	<b>(26)</b>

The outturn on Expenditure and Funding Analysis (page 22) indicates that no allocation requires to be taken from the General Reserve.

During 2020/2021, an underspend of £26,000 on the Revenue Budget was experienced in relation to Valuation Services.

The main budget variances are summarised below:

*Staff Costs (Underspend £112,000):*

This net underspend represents a delay in the recruitment of some posts as a result of the Coronavirus pandemic

*Property Costs (Overspend £59,000)*

Primarily due to the creation of a provision for dilapidations obligations upon expiry of the Robertson House Lease under the requirements of IAS37. This has been partly offset by underspends on cleaning and domestic water and sewerage due to the closure of the offices during the year due to the COVID 19 Pandemic.

*Supplies & Services (Overspend £53,000)*

Higher than anticipated costs on maintenance and health & safety as a result of implementing new procedures during the COVID-19 pandemic. Overspends on printing, postages and IT costs incurred on as a result of the COVID-19 pandemic, and costs in relation to the Scottish Parliamentary elections and local by-elections. Partially offset by underspends on stationery, telephone costs and miscellaneous supplies as a result of staff working from home for the majority of the year.

*Transport Costs (Underspend £42,000)*

Significant reduction in mileage allowance spend as a result of travel restrictions during the COVID 19 Pandemic.

*Third Party Payments (Underspend £6,000)*

Legal expenses were lower than anticipated due to a lower than budgeted spend on contentious appeals.

*Other Income and Expenditure (Under achieved Income £19,000)*

Due to underspend on Barclay Review Funding – unlike 2019/20, the 2020/21 underspend is to be returned to Scottish Government. Partially offset by higher than budgeted interest on revenue balances.

*Requisition Income (Under achieved Income £3,000)*

Due to refund of requisition income to constituent councils for lower than anticipated expenditure.

## **General Reserve**

In setting the 2020/21 Revenue Budget, the Treasurer advised that the minimum level of uncommitted balances that the Joint Board should operate with is £60,000. The sum of £26,000 was taken from the General Reserve and used in the setting of the Joint Board's 2020/21 Revenue Budget. This ensured no increase in the requisition from Constituent Councils. The financial performance of the Joint Board during 2020/21 meant that no allocation from General Reserve was required. The General Reserve balance at 31 March 2021 therefore remains at £141,000, including a ring-fenced amount of £39,000 for the Barclay Review Implementation.

## **Capital Expenditure**

During 2020/21 the Joint Board incurred £29,000 of capital expenditure on computer equipment and associated communications networking. This expenditure was funded by the three constituent councils, made up of £23,000 received during the year to 31 March 2021 and £6,000 of unused capital grants brought forward.

## **Borrowing Facilities**

The Joint Board does not have the powers to incur any new capital debt directly through borrowing. Accordingly, the Joint Board's capital expenditure requirements in 2020/2021 are funded by a contribution from the three Constituent Councils.

## **Control of Revenue and Capital Expenditure**

The control of both the revenue and capital expenditure of the Joint Board is an ongoing and substantial exercise which requires a positive contribution from staff and elected members to ensure that the Joint 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 Joint 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 Joint Board had a net pension liability of £2,011,000 as at 31 March 2021. The estimated net Pension Liability at 31 March 2020 was £2,856,000.

## **Balance Sheet Net Liabilities**

The Joint Board's Balance Sheet as at 31 March 2021 shows Net Liabilities of £1,920,000. The significant factor in the Net Liabilities position is the IAS 19 Pension Liability of £2,011,000. The IAS 19 Pension Liability figure is based on a "snap shot" at 31 March 2021 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 in the short term. 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 Joint Board's General Reserve or budgetary requirements and the Net Liabilities position shown in the Balance Sheet does not therefore affect the Joint Board's ability to continue as a going concern for the foreseeable future.

## **Service Changes and Future Developments**

There were no changes to the statutory functions undertaken by the Joint Board during the financial year. The Joint Board continues to refine its staffing structure and use of resources to help ensure that it continues to meet ambitious targets while also dealing with legislative reform issues and managing budget constraints.

The Assessor is working with the SAA and Scottish Government on plans to implement the recommendations from the Barclay Review. Additional funding has been allocated from the Scottish Government in 2021/2022 to support the ongoing development. The Assessor and his team have reviewed the staff structure and an amended structure was approved by the Joint Board at the meeting on 24 June 2019 and implemented on 1 April 2020. The Joint Board is also planning to review the Board's Non Domestic Rates IT systems.

## **Principle Risks and Uncertainties**

The Joint Board maintains, manages and regularly reports on Business Continuity and Risk Management arrangements. Internal Audit assessed the Joint Board's procedures in this area as good with no weaknesses identified.

Individual Electoral Registration utilises significant resources and generates a funding gap which is currently met by the UK Cabinet Office. The UK Cabinet Office has indicated however, that more stringent approval of expenditure will be applied in the future which may increase the financial burden on the Joint Board.

Continuing uncertainty regarding the Brexit process and the impact of potential future elections or referenda holds significant implications for the workload of staff and resources within the Joint Board.

The worldwide COVID-19 pandemic resulted in the UK Government taking measures regarding the closure of businesses and instructing the population to stay at home where possible. The Board's two divisional offices remained closed to the public throughout the financial year although staff attended each office as required to deal with urgent matters. There is no clear indication of when they will be able to return to the divisional offices full time. The impact of these measures on the working practices of the Joint Board, and of the additional Revaluation appeals which have been received since mid-March 2020 on the workload of staff and resources within the Joint Board going forward is still uncertain.

The Joint Board recognises the impact of continuing financial pressures on the constituent authorities and as a consequence it continues to seek to generate efficiencies and utilise limited reserves wherever possible.

This strategy, together with prudent management of resources during a period of strong performance and significant operational challenges has allowed the Joint Board to set a 2021/2022 budget at a reduced or standstill level for the sixth consecutive year.

The Assessor and Electoral Registration Officer will look to introduce further efficiency savings in future, although with a significant number of statutory duties to be met, continual reduction of resources could have an adverse impact on performance measures and service delivery.

## **Conclusion**

Sound financial management and effective risk management have enabled the Joint Board to successfully manage its financial affairs during financial year 2020/2021. However, significant risks surrounding future uncertainties continue to affect the plans for the Joint Board to effectively manage budgetary pressures.

Despite significant challenges, operational performance continues to remain at a high level and effective management of a committed staff will continue to ensure that the Joint Board is able to meet its objectives.

We wish to acknowledge the significant efforts and exceptional hard work of all staff in facing up to the challenges encountered and contributing to the Joint Board's successful operational performance, the staff whose financial stewardship has contributed to the Joint Board's financial position at 31 March 2021 and everyone involved in the preparation of the annual accounts.

**Robert Emmott**  
**BSc, CPFA**  
**Treasurer**  
**Tayside Valuation Joint Board**  
**30 August 2021**

**Alastair Kirkwood**  
**BSc, MRICS (Dip Rating), IRRV**  
**(Hons), AEA**  
**Assessor and Electoral**  
**Registration Officer**  
**Tayside Valuation Joint Board**  
**30 August 2021**

**Councillor Gavin Nicol**  
**Convener**  
**Tayside Valuation Joint Board**  
**30 August 2021**



## 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 Joint 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 Joint Board's affairs and facilitating the effective exercise of its functions, including arrangements for the management of risk.

To this end the Joint Board approved and adopted a local Code of Corporate Governance that is consistent with the principles of the CIPFA/SOLACE (Chartered Institute of Public Finance and Accountancy/ Society of Local Authority Chief Executives) framework *Delivering Good Governance in Local Government (2016)*. This statement explains how Tayside Valuation Joint Board delivers good governance and reviews the effectiveness of these arrangements.

#### The Joint Board's Governance Framework

The governance framework comprises the systems, processes, cultures and values by which the Joint Board is directed and controlled. It also describes the way it engages with its stakeholders. It enables the Joint 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 seven supporting principles of effective corporate governance. These are as follows:

- behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law;
- ensuring openness and comprehensive stakeholder engagement;
- defining outcomes in terms of sustainable economic, social, and environmental benefits;
- determining the interventions necessary to optimise the achievement of intended outcomes;
- developing the entity's capacity, including the capability of its leadership and the individuals within it;
- managing risks and performance through robust internal control and strong public financial management; and
- Implementing good practices in transparency, reporting and audit to deliver effective accountability.

The overall control arrangements include:

- identifying the Joint Board's objectives in the Service Plan.
- monitoring of objectives by the Joint Board and senior officers.
- reporting performance regularly to Joint 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.

- the assurances provided by Internal Audit through their independent review work of the Joint Board's internal control systems.

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. The Treasurer complies with the principles set out in CIPFA's *Role of the Chief Financial Officer (2016)*.

### **Review of Effectiveness**

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

In addition the Joint Board have made a self-assessment of their own arrangements. This involved the completion of a 94-point checklist, by the Assessor, covering seven supporting principles defined in CIPFA/SOLACE's *Delivering Good Governance in Local Government (2016)*. This indicated a high level of compliance.

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

### **Impact of Coronavirus Pandemic on Corporate Governance**

The UK Government announced a lockdown on 23 March 2020 in response to the Covid 19 pandemic. This has had a major impact on the management and operations of the Joint Board. Management took immediate action to safeguard employees. These actions were taken to maintain resilience and ensured the continued safety of employees during this challenging and unprecedented time. Business Continuity Planning / Incident Response meetings were held between key personnel and guidance issued to all staff on a regular basis.

The Annual Governance Statement assesses governance in place during 2020/2021. The overall conclusion on whether or not governance is fit for purpose should reflect the normal operations. However, coronavirus has impacted on governance since March 2020 and the Annual Governance Statement has to reflect the circumstances at the time of publication and the impact on governance.

The main impact on governance affecting the Joint Board was that the meeting of the Joint Board that was scheduled to take place in June 2020 was cancelled due to the Covid-19 pandemic. Following discussions between the Assessor, the Clerk and the Convener the relevant reports were dealt with under the urgency procedures and reported to the Joint Board at the next scheduled meeting in August 2020. Subsequent meetings of the Joint Board have taken place remotely via video conferencing. It will remain to be seen whether this arrangement will continue once the pandemic has passed.

### **Continuous Improvement Agenda**

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

The Joint Board's progress against the Continuous Improvement Agenda items for 2021/22 are detailed in Table 1.

**TABLE 1**

<b>Improvements 2020/2021</b>	<b>Principle</b>	<b>Code Reference</b>	<b>Responsible Officer(s)</b>	<b>Target Completion Date</b>	<b>Progress Updates</b>
1 Investigate options for ensuring that the medium term financial strategy integrates with service priorities and resource constraints.	4	2.8, 3.1, 3.2, 3.3, 3.4	Treasurer	31/01/2022	Progress carried forward from 2019/2020 Further consideration of medium term financial planning required - to be incorporated into 2022/23 Medium Term Financial Plan.
2 Review NDR Systems taking cognisance of Barclay Review Recommendations	2	2.5	Assessor	31/03/2022	The NDR systems are under review and further development to ensure suitability for the new duties imposed by the Non-Domestic Rates (Scotland) Act 2020.

The Principles and References included in the above table refer to the Local Code of Corporate Governance.

During 2020/2021, Internal Audit have conducted audits in the areas of Corporate Governance, Compliance with Legislation, Non-Domestic Rates and Follow up Reviews. No significant weaknesses were identified. In the follow up reviews, there are no outstanding items that are currently capable of being progressed. Overall, the level of assurance was concluded to be good and the systems and procedures implemented meet their control objectives. The Internal Auditor's Annual Report 2021/06 concludes that, in the opinion of the Internal Auditor, the Joint Board operates adequate and effective control procedures, as defined in the Audit Needs Assessment.

It is proposed that during 2021/22 steps are taken to address the items identified in the Continuous Improvement Agenda (see Table 2) to further enhance the Joint Boards governing arrangements.

**TABLE 2**

<b>Improvements 2021/2022</b>	<b>Principle</b>	<b>Code Reference</b>	<b>Responsible Officer(s)</b>	<b>Target Completion Date</b>	<b>Progress Updates</b>
1 Investigate options for ensuring that the medium term financial strategy integrates with service priorities and resource constraints.	4	2.8,3.1,3.2,3.3,3.4,	Treasurer	31/01/2022	Progress carried forward from 2020/21  Further consideration of medium term financial planning required - to be incorporated into 2022/23 Medium Term Financial Plan.
2 Review NDR Systems taking cognisance of Barclay Review Recommendations	2	2.5	Assessor	31/03/2022	The NDR systems are under review and further development to ensure suitability for the new duties imposed by the Non-Domestic Rates (Scotland) Act 2020.
3 Review the Service Level Agreement with Dundee City Council	2	2.5	Assessor / Clerk	30/09/2021	Dundee City Council commenced update of all Service Level Agreements in March 2021
4 Review policies in relation to maintaining the health and wellbeing of the workforce	2	2.5	Assessor	31/03/2022	To commence during 2021/22

The Principles and References included in the above table refer to the Local Code of Corporate Governance.

The annual review demonstrates sufficient evidence that the Code's principles of delivering good governance in local government operated effectively and the Joint 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 Joint Board's governance arrangements.

**Councillor Gavin Nicol**  
**Convener**  
**Tayside Valuation Joint Board**  
**30 August 2021**

**Alastair Kirkwood BSc, MRICS, IRRV, AEA**  
**Assessor and ERO**  
**Tayside Valuation Joint Board**  
**30 August 2021**

## TAYSIDE VALUATION JOINT BOARD

### REMUNERATION REPORT

#### INTRODUCTION

The Joint 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 Joint Board and accrued pension benefits of the Senior Employees. The report also provides information on the number of Joint 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 Joint 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) Amendment Regulations 2019 (SSI No. 2019/23). 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 Joint 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 Joint Board.

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

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

Councillor Name	Responsibility	Salary, Fees & Allowances £	Total Remuneration 2020/2021 £	Total Remuneration 2019/2020 £
Gavin Nicol	Convener, Tayside Valuation Joint Board	5,842	5,842	5,716
Christina Roberts	Vice-Convener, Tayside Valuation Joint Board	1,118	1,118	1,094
<b>Total</b>		<b>6,960</b>	<b>6,960</b>	<b>6,810</b>

##### 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 Joint Board:

- (i) has responsibility for management of the Joint 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 Joint Board has determined that three employees covering three posts meet the criteria for designation as a Senior Employee in 2020/21

. The remuneration details for the Senior Employees of the Joint Board are set out in Table 2.

**TABLE 2 – REMUNERATION OF SENIOR EMPLOYEES**

Employee Name	Post Title	Salary, Fees & Allowances £	Expenses Chargeable Against Tax £	Total Remuneration 2020/2021 £	Total Remuneration 2019/2020 £
Alastair Kirkwood	Assessor	111,262	-	111,262	109,051
Donald Allan	Assistant Assessor	73,587	-	73,587	71,444
Roy Christie	Assistant Assessor	73,587	-	73,587	71,444
<b>Total</b>		<b>258,436</b>	<b>-</b>	<b>258,436</b>	<b>251,939</b>

The Regulations also require information to be published on the total number of Joint 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:

**TABLE 3 - REMUNERATION BANDS**

Remuneration Bands	No of Employees	
	2019/2020	2020/2021
£50,000 - £54,999	-	4
£60,000 - £64,999	1	1
£70,000 - £74,999	2	2
£105,000 - £109,999	1	-
£110,000 - £114,999	-	1
<b>Total</b>	<b>4</b>	<b>8</b>

#### ACCRUED PENSION BENEFITS

Pension benefits for Tayside Valuation Joint Board employees are provided through the Local Government Pension Scheme (LGPS) which is a career average related earnings (CARE) pension scheme. This means that pension benefits are based on the career average revalued pay and the number years that the person has been a member of the scheme. The scheme's normal retirement age for Joint Board employees is based on the state retirement age (but with a minimum of age 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 2020/2021 remain at the 2019/2020 rates although the pay bandings have been adjusted. The tiers and contribution rates are set out in Table 4.

**TABLE 4 - TIERS AND CONTRIBUTION RATES**

2019/2020 Whole Time Pay on Earnings:	Contribution Rate 2019/2020	2020/2021 Whole Time Pay on Earnings:	Contribution Rate 2020/2021
up to and including £21,800	5.50%	up to and including £22,200	5.50%
above £21,801 and up to £26,700	7.25%	above £22,201 and up to £27,100	7.25%
above £26,701 and up to £36,600	8.50%	above £27,101 and up to £37,200	8.50%
above £36,601 and up to £48,800	9.50%	above £37,201 and up to £49,600	9.50%
above £48,800	12%	above £49,600	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 1/60<sup>th</sup> of final pensionable salary and years of pensionable service. Prior to 2009 the accrual rate guaranteed a pension based on 1/80<sup>th</sup> and a lump sum based on 3/80<sup>th</sup> of final pensionable salary and years of pensionable service.

### Convener and Vice Convener

There were no pension contributions made by the Joint 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 5, together with the pension contributions made by the Joint Board.

**TABLE 5 - ACCRUED PENSION BENEFITS FOR SENIOR EMPLOYEES**

Employee Name	Post Title	Pension as at 31 March 2021 £000	Pension Difference from 31 March 2020 £000	Lump Sum as at 31 March 2021 £000	Lump Sum Difference from 31 March 2020 £000	Pension Cont. 2020/21 £	Pension Cont. 2019/20 £
Alastair Kirkwood	Assessor	58	4	100	3	18,915	18,364
Donald Allan	Assistant Assessor	37	3	64	2	12,510	12,146
Roy Christie	Assistant Assessor	39	3	70	2	12,510	12,146
<b>Total</b>		<b>134</b>	<b>10</b>	<b>234</b>	<b>7</b>	<b>43,935</b>	<b>42,656</b>

### Exit Packages

There were no exit packages in 2020/21 (2019/20 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 2020/21, the scheme member contribution rate for Senior Employees was in the range of 8.8% to 9.9% (2019/2020 8.7% to 9.8%) of pensionable pay. In 2020/21, the employer contribution rate was 17.0% (2019/2020 17.0%) of pensionable pay for Senior Employees.

**Councillor Gavin Nicol**  
**Convener**  
**Tayside Valuation Joint Board**  
**30 August 2021**

**Alastair Kirkwood BSc, MRICS, IRRV, AEA**  
**Assessor and Electoral Registration Officer**  
**Tayside Valuation Joint Board**  
**30 August 2021**

## 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.

I confirm that these Annual Accounts were approved for signature by the Joint Board at its meeting on 30 August 2021.

**Councillor Gavin Nicol**  
**Convener**  
**Tayside Valuation Joint Board**  
**30 August 2021**

#### 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 2021.

**Mr Robert Emmott, BSc, CPFA**  
**Treasurer**  
**Tayside Valuation Joint Board**  
**30 August 2021**



## TAYSIDE VALUATION JOINT BOARD

### EXPENDITURE AND FUNDING ANALYSIS

The objective of the Expenditure and Funding Analysis is to demonstrate how the funding available to the Joint Board (i.e. income from Constituent Councils and government grants) for the year has been used in providing services in comparison with those resources consumed or earned by the Joint Board in accordance with generally accepted accounting practices. The Expenditure and Funding Analysis also shows how this expenditure is allocated for decision making purposes. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

#### Expenditure and Funding Analysis

2019/2020				2020/2021			
Net Expenditure Chargeable to the General Reserve	Adjustments between the Funding and Accounting Basis	Net Expenditure in the CIES		Net Expenditure Chargeable to the General Reserve	Adjustments between the Funding and Accounting Basis	Net Expenditure in the CIES	
£000	£000	£000	<b>EXPENDITURE</b>	£000	£000	£000	
2,663	377	3,040	Staff Costs	2,840	374	3,214	
227	-	227	Property Costs	280	-	280	
477	-	476	Supplies and Services	467	-	467	
50	-	50	Transport Costs	7	-	7	
33	-	34	Third Party Payments	44	-	44	
-	48	48	Depreciation	-	38	38	
16	-	16	Corporate and Democratic Core	16	-	16	
<b>3,466</b>	<b>425</b>	<b>3,891</b>	<b>Cost Of Services</b>	<b>3,654</b>	<b>412</b>	<b>4,066</b>	
<b>(3,505)</b>	<b>42</b>	<b>(3,463)</b>	Other Income & Expenditure	<b>(3,654)</b>	<b>44</b>	<b>(3,610)</b>	
<b>(39)</b>	<b>467</b>	<b>428</b>	<b>(Surplus)/Deficit on Provision of Services</b>	<b>-</b>	<b>456</b>	<b>456</b>	
<b>102</b>			<b>Opening General Reserve Balance</b>	<b>141</b>			
<b>39</b>			Add Surplus on General Reserve	<b>-</b>			
<b>141</b>			<b>Closing General Reserve Balance at 31 March</b>	<b>141</b>			

#### NOTES TO THE EXPENDITURE FUNDING ANALYSIS

Adjustments from General Reserve to arrive at the Comprehensive Income and Expenditure Statement amounts

2019/2020				2020/2021				
Adjustments for Capital Purposes (Note A)	Net Change for the Pensions Adjust - ments (Note B)	Other Differences (Note C)	Total Adjustments		Adjustments for Capital Purposes (Note A)	Net Change for the Pensions Adjust - ments (Note B)	Other Differences (Note C)	Total Adjustments
£000	£000	£000	£000		£000	£000	£000	£000
-	363	14	377	Staff Costs	-	318	56	374
48	-	-	48	Depreciation	38	-	-	38
48	363	14	425	Cost of Services	38	318	56	412
<b>(32)</b>	<b>74</b>	<b>-</b>	<b>42</b>	Other Income and Expenditure from the Expenditure and Funding Analysis	<b>(29)</b>	<b>73</b>	<b>-</b>	<b>44</b>
<b>16</b>	<b>437</b>	<b>14</b>	<b>467</b>	Difference between the General Reserve Surplus or Deficit and CIES Surplus or Deficit on the Provision of Services	<b>9</b>	<b>391</b>	<b>56</b>	<b>456</b>

Note A – Adjustments for Capital Purposes adds in Depreciation and Capital Grants.

Note B – Net change for the removal of pension contributions and the addition of IAS 19 Employee Benefits pension related expenditure and income.

Note C – Other differences between the amounts debited/credited to the Comprehensive Income and Expenditure Statement and amounts payable and receivable to be recognised under statute.

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. The Joint Board receives requisition income from Constituent Councils to cover expenditure; this may be different from the accounting cost.

2019/2020			2020/2021			
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
<b>Expenditure</b>						
3,040	-	3,040	3,326	3,214	-	3,214
227	-	227	222	280	-	280
476	-	476	414	467	-	467
50	-	50	49	7	-	7
34	-	34	50	44	-	44
48	-	48	38	38	-	38
16	-	16	16	16	-	16
<b>3,891</b>	-	<b>3,891</b>	<b>4,115</b>	<b>4,066</b>	-	<b>4,066</b>
-	(474)	(474)	(491)	0	(491)	(491)
74	(6)	68	71	73	(6)	67
-	(279)	(279)	(418)	0	(395)	(395)
<b>3,965</b>	<b>(759)</b>	<b>3,206</b>	<b>3,277</b>	<b>4,139</b>	<b>(892)</b>	<b>3,247</b>
-	(32)	(32)	(29)	0	(29)	(29)
-	(2,746)	(2,746)	(2,765)	0	(2,762)	(2,762)
<b>3,965</b>	<b>(3,537)</b>	<b>428</b>	<b>483</b>	<b>4,139</b>	<b>(3,683)</b>	<b>456</b>
(439)	-	(439)	(1,236)	(1,236)	0	(1,236)
<b>3,526</b>	<b>(3,537)</b>	<b>(11)</b>	<b>(753)</b>	<b>2,903</b>	<b>(3,683)</b>	<b>(780)</b>

The notes on pages 27 to 48 form part of the financial statements

**TAYSIDE VALUATION JOINT BOARD**  
**MOVEMENT IN RESERVES STATEMENT**

This statement shows the movement from the start of the year to the end on the different reserves held by the Joint Board, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure) and 'unusable reserves'. This statement shows how the movements in year of the Joint Board's reserves are broken down between gains and losses in accordance with generally accepted accounting practices and the statutory adjustments required to return the amounts chargeable to requisitions for the year.

	General Reserve Balance £000	<b>Total Usable Reserves</b> £000	Unusable Reserves £000	<b>Total Board Reserves</b> £000
<b>Balance at 31 March 2019 carried forward</b>	<b>102</b>	<b>102</b>	<b>(2,813)</b>	<b>(2,711)</b>
<b><u>Movement in Reserves during 2019/2020</u></b>				
<b>Total Comprehensive Expenditure and Income</b>	<b>(428)</b>	<b>(428)</b>	439	11
Adjustments Between Accounting Basis & Funding Basis Under Regulations (Note 9)	467	<b>467</b>	<b>(467)</b>	-
<b>(Increase)/Decrease in 2019/2020</b>	<b>39</b>	<b>39</b>	<b>(28)</b>	<b>11</b>
<b>Balance at 31 March 2020 carried forward</b>	<b>141</b>	<b>141</b>	<b>(2,841)</b>	<b>(2,700)</b>
<b>Balance at 31 March 2020 carried forward</b>	<b>141</b>	<b>141</b>	<b>(2,841)</b>	<b>(2,700)</b>
<b><u>Movement in Reserves during 2020/2021</u></b>				
<b>Total Comprehensive Expenditure and Income</b>	<b>(456)</b>	<b>(456)</b>	1,236	780
Adjustments Between Accounting Basis & Funding Basis Under Regulations (Note 9)	456	<b>456</b>	<b>(456)</b>	-
<b>(Increase)/Decrease in 2020/2021</b>	<b>-</b>	<b>-</b>	<b>780</b>	<b>780</b>
<b>Balance at 31 March 2021 carried forward</b>	<b>141</b>	<b>141</b>	<b>(2,061)</b>	<b>(1,920)</b>

The notes on pages 27 to 48 form part of these Financial Statements

## 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 Joint Board. The net liabilities of the Joint Board (assets less liabilities) are matched by the reserves held by the Joint Board. Reserves are reported in two categories. The first category is usable reserves, ie those that the Joint Board may use to provide services, subject to the need to maintain a prudent level of reserves. The second category is unusable reserves that the Joint 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'.

31st March 2020 £000	Note	31st March 2021 £000
130 Property, Plant & Equipment	22	121
<b>130 Long Term Assets</b>		<b>121</b>
31 Short Term Debtors	24	50
483 Cash and Cash Equivalents	14	617
<b>514 Current Assets</b>		<b>667</b>
<b>(431) Short Term Creditors</b>	25	<b>(577)</b>
<b>(57) Capital Contributions Receipts in Advance</b>	29	<b>(51)</b>
<b>(488) Current Liabilities</b>		<b>(628)</b>
- Provisions	26	(70)
<b>(2,856) Net Pension Liabilities</b>	18	<b>(2,011)</b>
<b>(2,856) Long Term Liabilities</b>		<b>(2,081)</b>
<b>(2,700) Net Liabilities</b>		<b>(1,920)</b>
141 Usable reserves	10	141
<b>(2,841) Unusable Reserves</b>	11	<b>(2,061)</b>
<b>(2,700) Total Reserves</b>		<b>(1,920)</b>

**Robert Emmott, BSc, CPFA**  
**Treasurer**  
**Tayside Valuation Joint Board**  
**30 August 2021**

The unaudited financial statements were issued on the 21<sup>st</sup> June 2021 and the audited financial statements were authorised for issue on the 30<sup>th</sup> August 2021.

The notes on pages 27 to 48 form part of the financial statements

## TAYSIDE VALUATION JOINT BOARD

### CASH FLOW STATEMENT

The Cash Flow Statement shows the changes in cash and cash equivalents of the Joint Board during the reporting period. The statement shows how the Joint Board generates and uses cash and cash equivalents by classifying cash flows as operating and investing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Joint 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 Joint Board's future service delivery.

<b>2019/2020</b>		<b>2020/2021</b>
<b>£000</b>		<b>£000</b>
435	Net (surplus) or deficit on the provision of services	456
<u>(482)</u>	Adjust net (surplus) or deficit on the provision of services for non cash movements	<u>(619)</u>
<b>(47)</b>	<b>Net cash flows from Operating Activities (note 12)</b>	<b>(163)</b>
<u>32</u>	Investing Activities (note 13)	<u>29</u>
<b>(15)</b>	<b>Net (increase) or decrease in cash and cash equivalents</b>	<b>(134)</b>
<u>468</u>	Cash and cash equivalents at the beginning of the reporting period	<u>483</u>
<u><b>483</b></u>	<b>Cash and cash equivalents at the end of the reporting period (note 14)</b>	<u><b>617</b></u>

The notes on pages 27 to 48 form part of the financial statements

**TAYSIDE VALUATION JOINT BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**

**1 ACCOUNTING POLICIES**

**A General Principles**

The Annual Accounts summarises the Joint Board's transactions for the 2020/2021 financial year and its position at the year-end of 31 March 2021. The Board is required to prepare Annual Accounts by 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 2020/2021 and the Service Reporting Code of Practice 2020/2021, supported by International Financial Reporting Standards (IFRS) and statutory guidance issued under Section 12 of the 2003 Act. The accounts have been prepared on a going concern basis. 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 contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract.
- Revenue from the provision of services is recognised when the Joint 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 Joint Board.
- Expenses in relation to services received (including those rendered by the Joint 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 debts may not 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 26), cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Joint 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 Joint 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 non-current assets during the year:

- depreciation attributable to the assets used by the Joint Board

The Joint 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 Joint Board. An accrual is made against services in the Surplus or Deficit on the Provision of Services for the cost of holiday entitlements (or any form of leave, eg time off in lieu) earned by employees but not taken before the year-end, which employees can carry forward into the next financial year, being the period in which the employee takes the benefit. The accrual is made at the wage and salary rates applicable in the following accounting year. The accrual is charged to Surplus or Deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement so that holiday entitlements are charged to revenue in the financial year in which the holiday absence occurs.

### Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Joint Board to terminate an employee's employment before the normal retirement date or an employee's decision to accept voluntary redundancy in exchange for those benefits, 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 Joint Board can no longer withdraw the offer of those benefits or when the Joint 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 Joint 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 pension enhancement termination 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.

### Post Employment Benefits

Employees of the Joint 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 Joint Board.

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

- The liabilities of the Tayside Pension Fund attributable to the Joint 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 Joint 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, ie net interest expense for the Joint Board – the change during the period in the net defined benefit liability 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 at the beginning of the period – taking into account any changes the net defined benefit liability 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 – 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 Joint 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 transfers 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 Joint 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 Balance Sheet date 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 Joint Board when there is reasonable assurance that:

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

Amounts recognised as due to the Joint 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 Joint 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 Joint 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 Joint 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 Joint 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 non-current 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 Assets**

#### Provisions

Provisions are made where an event has taken place that gives the Joint 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 Joint 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 Joint 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 Joint Board if it is virtually certain that reimbursement will be received if the Joint Board settles the obligation.

#### Contingent Liabilities

A contingent liability arises where an event has taken place that gives the Joint 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 Joint 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 Joint 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 Joint 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 transferring amounts out of the General Reserve Balance When expenditure to

be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the Surplus/Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then transferred 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 Joint Board. Further information on the Joint Board's reserves is contained in notes 10 and 11.

## **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 Joint 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 Joint Board has determined that this uncertainty is not sufficient to provide an indication that the assets of the Joint Board might be impaired as a result of a need to reduce levels of service provision or affect the underlying assumption of the Joint Board's going concern basis.

The Joint Board's Balance Sheet as at 31st March 2021 shows a net liability of £1.920m ( at 31st March 2020 £2.700mm). The significant factor in this is the IAS 19 Pensions Liability of £2.011m (31st March 2020 £2.856m), which is based on a "snapshot" at 31st March 2021 and is particularly sensitive to vagaries of the equities market and to the discount rate applied to determine the present value of future liabilities. The IAS 19 Pension Liability is a notional figure and does not require to be funded in the short term. Any projected liability on the Tayside Pension Fund is recouped by increased employer's contributions. The IAS 19 Pension Liability does not impact on the Joint Board's General Fund or budget requirements and does not affect the underlying assumption of the Joint Board's Going Concern status.

## **3 ACCOUNTING STANDARDS THAT HAVE BEEN ISSUED BUT NOT YET BEEN ADOPTED**

The Code requires the Board to identify any accounting standards that have been issued but have yet to be adopted and could have a material impact on the accounts.

This applies to the adoption of the following new or amended standards within the 2021/22 Code. The Joint Board does not anticipate that the amendments will have a material impact on the information provided in the Board's Annual Accounts

## **4 ASSUMPTIONS MADE ABOUT THE FUTURE AND OTHER MAJOR SOURCES OF ESTIMATION UNCERTAINTY**

The Annual Accounts contain estimated figures that are based on assumptions made by the Joint 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 items in the Joint Board's Balance Sheet at 31 March 2021 for which there is a significant risk of material adjustment in the forthcoming financial year are 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 an increase in the pension liability of £644,000.
Provisions	The Joint Board has made provisions for certain liabilities where there is a degree of uncertainty as to the amount and/or timing of settlement. Detailed information on provisions is included at note 26	The total value of provisions in the Joint Board's balance sheet at 31 March 2021 is £70,000. If eventual settlement of the related liabilities is higher than the amounts currently provided for, then an additional charge would require to be made.

5 **COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT - OTHER OPERATING INCOME & EXPENDITURE**

2019/2020		2020/2021
£000		£000
(467)	Recharge for Electoral Registration (Note 20)	(481)
(7)	Other Income	(10)
<u>(474)</u>	<b>Total</b>	<u>(491)</u>

6 **COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT - FINANCING AND INVESTMENT INCOME AND EXPENDITURE**

2019/2020		2020/2021
£000		£000
74	Net interest on the net defined benefit liability	73
(6)	Interest receivable and similar income	(6)
<u>68</u>	<b>Total</b>	<u>67</u>

7 **COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT – TAXATION AND NON-SPECIFIC GRANT INCOME**

2019/2020		2020/2021
£000		£000
(279)	Government Grants (see note 30)	(395)
<u>(279)</u>	<b>Total</b>	<u>(395)</u>

8 **COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT - RECOGNISED CAPITAL INCOME**

2019/2020		2020/2021
£000		£000
(23)	Capital Contributions from Constituent Authorities in year	(23)
(9)	Capital Contributions Receipts in Advance Recognised in year	(6)
<u>(32)</u>	<b>Total</b>	<u>(29)</u>

## 9 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 Joint Board in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Joint Board to meet future capital and revenue expenditure.

	General Reserve Balance £000	Movement in Unusable Reserves £000	Total £000
<b>2020/21</b>			
<b>Adjustments involving the Capital Adjustment Account:</b>			
<u>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:</u>			
Charges for depreciation and impairment of non current assets	(38)	38	-
Capital contributions that have been applied to capital financing	29	(29)	-
<b>Adjustments involving the Pensions Reserve:</b>			
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 11)	(778)	778	-
Employer's pensions contributions and direct payments to pensioners payable in the year	387	(387)	-
<b>Adjustment involving the Employee Statutory Adjustment Account:</b>			
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	(56)	56	-
<b>Total Adjustments</b>	<b>(456)</b>	<b>456</b>	<b>-</b>
<b>2019/2020</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Adjustments involving the Capital Adjustment Account:</b>			
<u>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:</u>			
Charges for depreciation and impairment of non current assets	(48)	48	-
Capital contributions that have been applied to capital financing	32	(32)	-
<b>Adjustments involving the Pensions Reserve:</b>			
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 11)	(791)	791	-
Employer's pensions contributions and direct payments to pensioners payable in the year	354	(354)	-
<b>Adjustment involving the Employee Statutory Adjustment Account:</b>			
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	(14)	14	-
<b>Total Adjustments</b>	<b>(467)</b>	<b>467</b>	<b>-</b>

## 10 BALANCE SHEET - USABLE RESERVES

31 March 2020 £000		31 March 2021 £000
141	General Reserve	141
<b>141</b>	<b>Total Usable Reserves</b>	<b>141</b>

Of the General Reserve balance of £141,000 at 31 March 2021, £39,000 is ring-fenced for use towards the implementation of the recommendations arising from the Barclay Review (31 March 2020: £39,000)

11 **BALANCE SHEET - UNUSABLE RESERVES**

<b>31 March 2020</b>		<b>31 March 2021</b>
<b>£000</b>		<b>£000</b>
98	Capital Adjustment Account	89
(2,856)	Pensions Reserve	(2,011)
(83)	Employee Statutory Adjustment Account	(139)
<b>(2,841)</b>	<b>Total Unusable Reserves</b>	<b>(2,061)</b>
<b>2018/2019</b>		<b>2019/2020</b>
<b>£000</b>		<b>£000</b>
64	<b>Balance at 1 April</b>	114
(39)	Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:	
26	Charges for depreciation and impairment of non current assets	(49)
88	Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	66
	Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	25
	Note 9 provides details of the source of all the transactions posted to the Account.	
<b>114</b>	<b>Balance at 31 March</b>	<b>91</b>
<b>2019/2020</b>		<b>2020/2021</b>
<b>£000</b>		<b>£000</b>
114	<b>Balance at 1 April</b>	98
(48)	Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:	
66	Charges for depreciation and impairment of non current assets	(38)
32	Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	60
<b>98</b>	<b>Balance at 31 March</b>	<b>89</b>

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 Joint 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 Joint 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 Joint 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.

2019/2020 £000		2020/2021 £000
(2,858)	<b>Balance at 1 April</b>	(2,856)
439	Re-measurement of the net defined benefit liability/(asset)	1,236
(791)	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	(778)
354	Employer's pensions contributions and direct payments to pensioners payable in the year	387
<u>(2,856)</u>	<b>Balance at 31 March</b>	<u>(2,011)</u>

#### Employee Statutory Adjustment Account

The Employee Statutory Adjustment Account absorbs the differences that would otherwise arise on the General Reserve Balance from accruing for annual and other forms of leave 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.

2019/2020 £000		2020/2021 £000
(69)	<b>Balance at 1 April</b>	(83)
69	Settlement or cancellation of accrual made at the end of the preceding	83
<u>(83)</u>	Amounts accrued at the end of the current year	<u>(139)</u>
(14)	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	(56)
<u>(83)</u>	<b>Balance at 31 March</b>	<u>(139)</u>

## 12 CASH FLOW STATEMENT - OPERATING ACTIVITIES

The cash flows for operating activities include the following items:

2019/2020 £000		2020/2021 £000
(6)	Interest received	(6)
<u>(6)</u>	<b>Total Operating Activities</b>	<u>(6)</u>



13 **CASH FLOW STATEMENT - INVESTING ACTIVITIES**

2019/2020	2020/2021
£000	£000
32 Purchase of property, plant and equipment	29
<b>32 Total Investing Activities</b>	<b>29</b>

14 **CASH FLOW STATEMENT - CASH AND CASH EQUIVALENTS**

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

31st March 2020	31st March 2021
£000	£000
483 Bank current account	617
<b>483 Total cash and cash equivalents</b>	<b>617</b>

15 **AGENCY SERVICES**

Tayside Valuation Joint Board provides a comprehensive electoral registration service on behalf of Angus Council and Perth & Kinross Council. This is provided by Dundee City Council in Dundee.

	2019/2020	2020/2021
	£000	£000
Expenditure incurred in providing electoral registration services to Angus Council	187	193
Fee payable by Angus Council	(187)	(193)
Net surplus arising on the agency arrangement	-	-
Expenditure incurred in providing electoral registration services to Perth & Kinross Council	280	288
Fee payable by the Perth & Kinross Council	(280)	(288)
Net surplus arising on the agency arrangement	-	-

16 **MEMBERS' ALLOWANCES**

The Tayside Valuation Joint Board were recharged by Angus and Dundee City Councils for the following allowances paid to the Convener and Vice-Convener:

	2019/2020	2020/21
	£000	£000
Convener and Vice-Convener Allowances	7	7
Total Members Allowances	<b>7</b>	<b>7</b>

17 **EXTERNAL AUDIT COSTS**

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

	2019/2020 £000	2020/2021 £000
Fees payable to Audit Scotland with regard to external audit services carried out by the appointed auditor for the year	7	8
<b>Total</b>	<b>7</b>	<b>8</b>

## 18 DEFINED BENEFIT PENSION SCHEME

### Participation in pension scheme

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 Joint Board has a commitment to make the payments and this needs to be disclosed at the time that employees earn their future entitlement.

The Joint Board participates in the Local Government Pension Scheme (Tayside Pension Fund), which is administered by Dundee City Council and is a funded defined benefit statutory scheme, meaning that the Joint Board and employees pay contributions into a fund, calculated at a level intended to balance the pension's liabilities with investment assets. The scheme currently provides benefits based on career average revalued salary and length of service on retirement.

The Joint Board also has liabilities for any discretionary pension payments outside the main scheme. These benefits are an unfunded defined benefit arrangement and liabilities are recognised when awards are made. There is no investment assets built up to meet the pensions liabilities for discretionary awards, and cash has to be generated to meet actual pension payments as they eventually fall. IAS 19 information is provided by Barnett Waddingham LLP, the independent actuaries to the Fund.

The principal risks to the Joint Board of the scheme are the life expectancy assumptions, statutory changes to the scheme, structural changes (i.e. large-scale withdrawals of members from the scheme), changes to inflation, bond yields and the performance of the equity investments held by the scheme.

### Transactions relating to post employment benefits

The Joint Board recognises the cost of retirement benefits in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge required to be made against requisition funding is based on the cash payable in the year, so the real cost of post employment/retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Fund Balance via the Movement in Reserves Statement during the year.

<b>Local Government Superannuation Scheme</b>	<b>Local Government Superannuation Scheme</b>	
	<b>2019/2020</b>	<b>2020/2021</b>
<b>Comprehensive Income and Expenditure Statement</b>	<b>£000</b>	<b>£000</b>
Cost of Services:		
• current service cost	717	705
Financing and Investment Income and Expenditure		
• net interest on the defined liability	64	63
• administration expenses	10	10
<b>Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services</b>	<b>791</b>	<b>778</b>
<b>Other Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement</b>		
Remeasurement of the net defined liability comprising:		
• Return on plan assets (excluding the amount included in the net interest expense)	(2,216)	8,048
• Actuarial gains and losses arising on changes in financial assumptions	2,657	(7,523)
• Actuarial gains and losses arising on changes in demographic assumptions	-	830
• Other gains and losses	-	(119)
	<b>441</b>	<b>1,236</b>
<b>Total Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement</b>	<b>1,232</b>	<b>2,014</b>

#### **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 Actual amount charged against the General Reserve Balance for pensions in the year:	(791)	(778)
• employer's contributions payable to scheme	354	387

#### **Pensions Assets and Liabilities Recognised in the Balance Sheet**

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

<b>Local Government Pension Scheme</b>	<b>Local Government Pension Scheme</b>	
	<b>2019/2020</b>	<b>2020/2021</b>
	<b>£000</b>	<b>£000</b>
Present value of funded obligation	29,283	36,746
Fair value of Scheme assets (bid value)	(26,681)	(35,036)
<b>Net liability</b>	<b>2,602</b>	<b>1,710</b>
Present value of unfunded obligation	254	301
<b>Net liability in balance sheet</b>	<b>2,856</b>	<b>2,011</b>

Reconciliation of fair value of the scheme assets:

<b>Local Government Pension Scheme</b>	<b>2019/2020</b>	<b>2020/2021</b>
	<b>£000</b>	<b>£000</b>
Opening balance at 1 April	28,459	26,681
Interest income on assets	680	624
Return on assets less interest	(2,216)	8,048
Other Actuarial Gains/(Losses)	-	(25)
Administrative expenses	(10)	(10)
Employer contributions	352	387
Contributions by scheme participants	131	144
Benefits paid	(715)	(813)
Closing balance at 31 March	<u>26,681</u>	<u>35,036</u>

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

<b>Funded Liabilities: Local Government Pension Scheme</b>	<b>2019/2020</b>	<b>2020/2021</b>
	<b>£000</b>	<b>£000</b>
Opening balance at 1 April	31,317	29,537
Current service cost	717	705
Interest cost	744	687
Contributions by scheme participants	131	144
<i>Remeasurement gains &amp; losses:</i>		
- Change in financial assumptions	(2,657)	7,523
- Change in demographic assumptions	-	(830)
Experience loss/(gain) on defined benefit obligation	-	94
Past Service Cost including Curtailments	-	-
Benefits paid	(715)	(813)
Closing balance at 31 March	<u>29,537</u>	<u>37,047</u>

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

	<b>31st March 2020</b>		<b>31st March 2021</b>	
	<b>£000</b>	<b>%</b>	<b>£000</b>	<b>%</b>
Equities	17,640	66%	25,088	72%
Gilts	370	1%	1,385	4%
Other Bonds	4,714	18%	4,573	13%
Property	3,282	12%	3,208	9%
Cash	807	3%	738	2%
Alternatives	-132	0%	50	0%
	<u>26,681</u>	<u>100%</u>	<u>35,042</u>	<u>100%</u>

#### **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 2020.

The significant assumptions used by the actuary have been:

	2019/2020	2020/2021
<i>Mortality assumptions:</i>		
Longevity at 65 for current pensioners (years):		
Men	19.7	18.9
Women	21.7	22.2
Longevity at 65 for future pensioners (years):		
Men	21.4	20.2
Women	23.5	23.8
<i>Other assumptions:</i>		
Rate of inflation (RPI)	2.70%	3.85%
Rate of inflation (CPI)	1.90%	2.85%
Rate of increase in salaries	2.70%	3.85%
Rate of increase in pensions	1.90%	2.85%
Rate for discounting scheme liabilities	2.35%	2.00%

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 £37.047m and projected service cost of £996,000 at 31 March 2021).

	£000	£000
Adjustment to discount rate:	+0.1%	-0.1%
Present value of total obligation	36,403	37,704
Projected service cost	968	1,025
Adjustment to long term salary increase:	+0.1%	-0.1%
Present value of total obligation	37,167	36,929
Projected service cost	996	995
Adjustment to pension increases and deferred revaluation:	+0.1%	-0.1%
Present value of total obligation	37,579	36,526
Projected service cost	1,024	968
Adjusted to mortality age rating assumption	+1 Year	-1 Year
Present value of total obligation	38,907	35,280
Projected service cost	1,044	949

#### **Impact on the Joint Board's Cash Flows**

The total contributions expected to be made to the Local Government Pension Scheme by the Joint Board in the year to 31 March 2022 are £377,000.

The weighted average duration of the defined benefit obligation for scheme members is 18 years in 2020/2021 (2019/2020 – 20 years).

## 19 EVENTS AFTER THE BALANCE SHEET DATE

There were no events that occurred between 1 April 2021 and 30 August 2021 that would have an impact on the 2020/2021 financial statements. The latter date is the date on which the annual accounts were authorised for issue by the Treasurer.

## 20 RELATED PARTIES

The Joint Board is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence the Joint Board or to be controlled or influenced by the Board. Disclosure of these transactions allows readers to assess the extent to which the Joint 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 Joint Board.

The three Constituent Councils are considered to be related parties of the Valuation Joint Board and during the 2020/2021 financial year, the Joint Board entered into a number of transactions with the Constituent Councils as detailed below:

2019/2020			2020/2021	
Charges To	Charges From		Charges To	Charges From
£000	£000		£000	£000
<b>Angus Council</b>				
(733)	-	Valuation Services Requisition	(734)	-
(188)	-	Electoral Services Recharge	(193)	-
(44)	-	Barclay Review Funding	(72)	-
(8)	-	Contribution to Capital Expenditure	(9)	-
(2)	-	Sundry Recoveries and Sales	(1)	-
-	6	Convener Recharge	-	6
-	5	Office Cleaning Services	-	2
-	85	Property Rental	-	67
-	23	Non Domestic Rates	-	23
-	-	Recharged Expenditure	-	-
<b>(975)</b>	<b>119</b>		<b>(1,009)</b>	<b>98</b>
<b>Dundee City Council</b>				
(859)	-	Valuation Services Requisition	(855)	-
(48)	-	Barclay Review Funding	(83)	-
(8)	-	Contribution to Capital Expenditure	(10)	-
(6)	-	Interest Receivable	(6)	-
-	38	Central Support Services	-	39
-	1	Convener Recharge	-	1
<b>(921)</b>	<b>39</b>		<b>(954)</b>	<b>40</b>
<b>Perth &amp; Kinross Council</b>				
(1,156)	-	Valuation Services Requisition	(1,173)	-
(280)	-	Electoral Services Recharge	(288)	-
(77)	-	Barclay Review Funding	(115)	-
(8)	-	Contribution to Capital Expenditure	(10)	-
(2)	-	Sundry Recoveries and Sales	(1)	-
-	25	Non Domestic Rates	-	25
-	26	Recharged Expenditure	-	8
<b>(1,523)</b>	<b>51</b>		<b>(1,587)</b>	<b>33</b>

The undernoted balance existed between the Joint Board and its related parties as at 31 March 2021

Amounts Due From	Amounts Due To		Amounts Due From	Amounts Due To
£000	£000		£000	£000
		<b>Angus Council</b>		
-	4	Valuation Services Requisition	-	10
-	38	Recharged Expenditure	-	14
-	<b>42</b>		-	<b>24</b>
		<b>Dundee City Council</b>		
-	5	Valuation Services Requisition	-	11
(6)	-	Interest Receivable	(6)	-
-	2	Recharged Expenditure	-	12
(6)	<b>7</b>		(6)	<b>23</b>
		<b>Perth &amp; Kinross Council</b>		
-	8	Valuation Services Requisition	-	18
(7)	-	Recharged Expenditure	(7)	-
(7)	<b>8</b>		(7)	<b>18</b>

## 21 LEASES

### Board as Lessee

#### *Finance Leases*

The Valuation Joint Board held no assets on finance lease during 2020/2021 and accordingly, there were no finance lease rentals paid to lessors during 2020/2021 (2019/2020 None).

#### *Operating Leases*

The Valuation Joint Board occupied office premises in Perth and Forfar on operating leases during 2020/21. The total operating lease rentals paid to lessors in 2020/21 were £105,700 (2019/2020 £105,700).

In addition, Dundee City Council administers a Contract Car Hire Scheme on behalf of the employees of the Joint Board. In the financial year 2020/2021, total operating lease rental payments of £12,677 (2019/2020 £7,902) were made by the Joint Board to the lessor, offset by contributions of £2,173 from employees (2019/2020 £2,833).

In respect of operating leases at 31 March 2021, the Valuation Joint Board is committed to making payments to lessors of £429,062 (at 31 March 2020 - £526,080). This comprises the following elements:

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

	31 March 2020 £000	31 March 2021 £000
Not later than one year	109	115
Later than one year and not later than five years	259	206
Later than five years	158	108
	<b>526</b>	<b>429</b>

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

	31 March 2020 £000	31 March 2021 £000
Lease payments	114	118
Employee contributions	(3)	(2)
	111	116

## 22 PROPERTY, PLANT AND EQUIPMENT

Movements in Value of Information Technology Equipment during 2020/21

<b>Gross Book Value</b>	£000
At 1 April 2020	309
Additions	29
Disposals	-
<b>At 31 March 2021</b>	<b>338</b>
 <b>Accumulated Depreciation and Impairment</b>	
At 1 April 2020	(179)
Depreciation charge	(38)
Written Back on Disposals	-
<b>At 31 March 2021</b>	<b>(217)</b>
 <b>Net Book Value</b>	
<b>At 31 March 2021</b>	<b>121</b>
<b>At 31 March 2020</b>	<b>130</b>

### Disposals

During the year, there were no disposals of Information Technology Equipment..

### Depreciation

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

### Capital Commitments

At its meeting on 25th January 2021, the Joint Board approved a new 3 year Capital Programme (2021 - 2024) which reflected the latest phasing of existing projects. The new programme for capital expenditure is as follows:

- 2021/2022 - £23,000
- 2022/2023 - £23,000
- 2023/2024 - £23,000

The programme is to be funded by capital contributions from the three Constituent Councils. None of the proposed expenditure in the 2021-2024 programme was legally committed as at 31 March 2021.



## 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.

	2019/2020 £000	2020/2021 £000
Capital investment:		
Property, Plant and Equipment	32	29
Sources of finance:		
Contributions from Constituent Councils Received in Year	(23)	(23)
Contributions Receipts in Advance Recognised in Year	(9)	(6)
Closing Capital Financing Requirement	-	-

## 24 SHORT TERM DEBTORS

	31 March 2020 £000	31 March 2021 £000
Central government bodies	12	31
Local authorities	13	13
Other entities and individuals	6	6
<b>Total</b>	<b>31</b>	<b>50</b>

## 25 SHORT TERM CREDITORS

	31 March 2020 £000	31 March 2021 £000
Central government bodies	105	232
Local authorities	75	65
Other entities and individuals	251	280
<b>Total</b>	<b>431</b>	<b>577</b>

## 26 PROVISIONS

<b>Dilapidations obligations upon completion of Robertson House Lease</b>	£000
Balance at 1 April 2020	-
Additional Provisions Made in 2020/2021	70
Amounts Used in 2020/2021	-
<b>At 31 March 2021</b>	<b>70</b>

### Dilapidations obligations upon completion of Robertson House Lease

Under the terms of the Robertson House lease, Tayside Valuation Joint Board are responsible for any internal redecorations (e.g removal of partitions and fittings) to bring the building back to its original state. The board first inhabited the building in 1997 and the lease is due to expire in 2022. A provision has been made in respect of these costs.

## 27 CONTINGENT LIABILITIES

### Indexation and Equalisation of GMP in Public Service Pension Schemes

As a result of the High Court's recent Lloyds ruling on the equalisation of GMPs between genders, a number of pension schemes have made adjustments to accounting disclosures to reflect the effect this ruling has on the value of pension liabilities. It is the understanding of Tayside Pension Fund's actuaries

that HM Treasury have confirmed that the judgement "does not impact on the current method used to achieve equalisation and indexation in public service pension schemes".

On 22 January 2018, the Government published the outcome to its Indexation and Equalisation of GMP in Public Service Pension Schemes Consultation, concluding that the requirement for public service pension schemes to fully price protect the GMP element of individuals' public service pension would be extended to those individuals reaching State Pension Age (SPA) before 6 April 2021. HM Treasury published a Ministerial Direction on 4 December 2018 to implement this outcome, with effect from 6 April 2016.

Tayside Pension Fund's actuaries valuation assumption for GMP is that the Fund will pay limited increases for members that have reached SPA by 6 April 2016, with the Government providing the remainder of the inflationary increase. For members that reach SPA after this date, the actuaries have assumed that the Fund will be required to pay the entire inflationary increase. However, this liability cannot be quantified at this stage.

In addition to this, there was also a Contingent Liability at 31 March 2020 in relation to Dilapidations obligations upon completion of Robertson House Lease, which is included within Provisions (Note 26) at 31 March 2021. There were no other Contingent Liabilities at this date.

## 28 CONTINGENT ASSETS

No contingent assets existed at 31 March 2021 (31 March 2020 None).

## 29 CAPITAL CONTRIBUTION INCOME

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

	2019/2020 £000	2020/2021 £000
Capital Contributions from Constituent Councils Received in Year	23	23
Capital Contributions Receipts in Advance Recognised in Year	9	6
<b>Total</b>	<b>32</b>	<b>29</b>

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 2020 £000	31 March 2021 £000
<b>Capital Contributions Receipts in Advance:</b>		
At 1 April	66	57
Capital Contributions received in year		
Constituent Councils	23	23
Transfer to Recognised Capital Income	(32)	(29)
<b>At 31 March</b>	<b>57</b>	<b>51</b>

### 30 GRANT INCOME

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

	31 March 2020 £000	31 March 2021 £000
UK Cabinet Office – Individual Electoral Registration Funding	110	-
Scottish Government - Implementation of Barclay Review	169	271
Scottish Government - Scottish Parliament Elections Postal Vote Funding	-	72
Scottish Government - Scottish Parliament Elections Household Notification Letters Funding	-	52
<b>Total</b>	<b>279</b>	<b>395</b>

A proportion of the funding received from the UK Cabinet Office for Individual Electoral Registration, and from the Scottish Government in relation to the May 2021 Scottish Parliamentary Elections, has yet to be recognised as income. The balances at the year end are as follows:

	31 March 2020 £000	31 March 2021 £000
UK Cabinet Office – Individual Electoral Registration Funding	105	121
Scottish Government - Scottish Parliament Elections Postal Vote Funding	-	76
Scottish Government - Registration of Foreign Nationals Funding	-	9
<b>Total</b>	<b>105</b>	<b>206</b>

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

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TAYSIDE VALUATION JOINT BOARD AND THE ACCOUNTS COMMISSION REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

## Opinion on financial statements

I certify that I have audited the financial statements in the annual accounts of Tayside Valuation Joint Board for the year ended 31 March 2021 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the Expenditure and Funding Analysis, Comprehensive Income and Expenditure Statement, Movement in Reserves Statement, Balance Sheet, Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2020/21 (the 2020/21 Code).

In my opinion the accompanying financial statements:

- give a true and fair view in accordance with applicable law and the 2020/21 Code of the state of affairs of Tayside Valuation Joint Board as at 31 March 2021 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2020/21 Code; and
- have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.

## Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the [Code of Audit Practice](#) approved by the Accounts Commission for Scotland. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I was appointed under arrangements approved by the Accounts Commission on 10 June 2021. This is the first year of my appointment. I am independent of Tayside Valuation Joint Board in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to Tayside Valuation Joint Board. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

## Conclusions relating to going concern basis of accounting

I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on Tayside Valuation Joint Board's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

## Risks of material misstatement

I report in a separate Annual Audit Report, available from the [Audit Scotland website](#), the most significant assessed risks of material misstatement that I identified and my judgements thereon.

## **Responsibilities of the Treasurer and Tayside Valuation Joint Board for the financial statements**

As explained more fully in the Statement of Responsibilities, the Treasurer is responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the Treasurer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Treasurer is responsible for assessing Tayside Valuation Joint Board's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

Tayside Valuation Joint Board is responsible for overseeing the financial reporting process.

## **Auditor's responsibilities for the audit of the financial statements**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities outlined above to detect material misstatements in respect of irregularities, including fraud. Procedures include:

- obtaining an understanding of the applicable legal and regulatory framework and how Tayside Valuation Joint Board is complying with that framework;
- identifying which laws and regulations are significant in the context of Tayside Valuation Joint Board;
- assessing the susceptibility of the financial statements to material misstatement, including how fraud might occur; and
- considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of Tayside Valuation Joint Board's controls, and the nature, timing and extent of the audit procedures performed.

Irregularities that result from fraud are inherently more difficult to detect than irregularities that result from error as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of my auditor's report.

## **Reporting on other requirements**

### **Opinion prescribed by the Accounts Commission on the audited part of the Remuneration Report**

I have audited the part of the Remuneration Report described as audited. In my opinion, the audited part of the Remuneration Report has been properly prepared in accordance with The Local Authority Accounts (Scotland) Regulations 2014.

### **Statutory other information**

The Treasurer is responsible for the statutory other information in the annual accounts. The statutory other information comprises the Management Commentary, Annual Governance Statement, Statements of Responsibilities and the unaudited part of the Remuneration Report.

My responsibility is to read all the statutory other information and, in doing so, consider whether the statutory other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this statutory other information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the statutory other information and I do not express any form of assurance conclusion thereon except on the Management Commentary and Annual Governance Statement to the extent explicitly stated in the following opinions prescribed by the Accounts Commission.

### **Opinions prescribed by the Accounts Commission on Management Commentary and Annual Governance Statement**

In my opinion, based on the work undertaken in the course of the audit:

- the information given in the Management Commentary for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with statutory guidance issued under the Local Government in Scotland Act 2003; and
- the information given in the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Delivering Good Governance in Local Government: Framework (2016).

### **Matters on which I am required to report by exception**

I am required by the Accounts Commission to report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the audited part of the Remuneration Report are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit; or
- there has been a failure to achieve a prescribed financial objective.

I have nothing to report in respect of these matters.

**Conclusions on wider scope responsibilities**

In addition to my responsibilities for the annual accounts, my conclusions on the wider scope responsibilities specified in the Code of Audit Practice are set out in my Annual Audit Report.

**Use of my report**

This report is made solely to the parties to whom it is addressed in accordance with Part VII of the Local Government (Scotland) Act 1973 and for no other purpose. In accordance with paragraph 120 of the Code of Audit Practice, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Richard Smith CPFA  
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