

# **TAYSIDE VALUATION JOINT BOARD**

**ANNUAL ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2023**

**AUDITED**

# Tayside Valuation Joint Board

Annual Accounts 2022/2023

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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 2022/23 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.

The Members and Officials of the Joint Board are:

<b>Representing Dundee City Council</b>	
Depute Lord Provost Kevin Cordell Baillie Christina Roberts Councillor Lynne Short Councillor Wendy Scullin Councillor Pete Shears Baillie Fraser Macpherson	
<b>Representing Angus Council</b>	
Councillor Serena Cowdy Councillor Brenda Durno Councillor George Meechan Councillor Martin Shepherd	
<b>Representing Perth and Kinross Council</b>	
Councillor Sheila McCole Baillie Michael Williamson Baillie Chris Ahern Councillor Frank Smith Councillor Dave Cuthbert	
<b>Assessor</b>	
Mr Roy Christie MRICS, Dip Surv, AEA(Cert-Scotland)	
<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 2023. The accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2022/2023 (“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 2022-2025 (“the Plan”) was approved in June 2022. 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

Whilst the impact of Covid-19 greatly reduced during the year, the risk of virus transmission in the workplace continued to be managed. The Joint Board’s two divisional offices were accordingly open to the public during 2022/23 on an appointments basis only. Whilst staff members attended the offices to provide cover on a daily basis, service delivery was primarily achieved through staff working from home utilising the Board’s computer systems over a secure internet connection. As working from home arrangements continued, a high level of communication amongst all staff was maintained. Consultation with staff on the formulation of a hybrid working policy has commenced and management will seek to finalise and introduce this shortly. External survey work returned to more normal levels.

#### Non-Domestic Rating

The Assessor continued to maintain the Valuation Roll during the year, processing new entries, deletions and amendments as required primarily 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 (SAA Portal), 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 SAA Portal 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. Following significant staff efforts this year, 17,504 Tayside valuations are now available to view (up from 12,191) representing 79.06% of all current Tayside entries.

The cumulative effect of all changes to entries in the Tayside Valuation Rolls during 2022/23 is shown in the table below. These changes reflect additions, deletions and the effect of appeal settlements.

Local Authority Area	Total No of Subjects		Rateable Value		Net Effect
	01/04/22	31/03/2023	At 01/04/2022	At 31/03/2023	
Angus Council	5,676	5,684	£79,143,745	78,931,950	- £ 211,795
Dundee City Council	6,218	6,302	£188,713,780	189,370,120	£ 656,340
Perth & Kinross Council	10,244	10,154	£160,744,004	160,953,374	£ 209,370
Total	22,138	22,140	£428,601,529	429,255,444	£ 653,915

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 Rolls and the period between their completion and alteration of the Valuation Roll during 2022/23 are detailed in the table below. The targets for the year were set as 72.5% of alterations within 3 months and 88% within 6 months.

Although the performance achieved was below target, this can be attributed to a number of factors - including the carrying out of a Revaluation of all non-domestic subjects under a new shortened timetable, the entry in the Roll of a substantial number of new Land entries as part of a one-off exercise, and the requirement to transfer significant numbers of Self Catering Units to the Valuation List following notification of a change of use out with the six month period.

Local Authority Area	No of new and altered entries	Percentage entered of amended within		
		<3 months	<6 months	more than 6 months
Angus Council	271	72.30%	81.50%	18.50%
Dundee City Council	538	58.70%	70.00%	30.00%
Perth & Kinross Council	533	62.90%	74.70%	25.30%
Total	1,342	63.10%	74.20%	25.80%

### General Revaluation 2017

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

A key feature of the 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 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, on an ongoing basis. 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 dealing with both Revaluation Appeals and Running Roll Appeals. A summary of appeal receipt and disposal progress as at 31 March 2023 is shown below.

	Appeals Received	Appeals Resolved	Appeals Resolved		Appeals Outstanding	
			Original RV	Resolved RV	Appeals	RV
2010 Revaluation	6,017	6,012	£330,436,768	£308,406,575	5	£113,900
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	6,187	£326,503,601	£305,424,425	68	£5,068,075
2017/18 Running Roll	610	607	£34,109,065	£30,558,845	3	£30,875
2018/19 Running Roll	246	244	£30,878,830	£28,287,975	2	£40,850
2019/20 Running Roll *	2,852	2,237	£175,455,215	£173,930,865	615	£52,982,015
2020/21 Running Roll *	2,723	2,435	£172,596,709	£172,077,859	288	£24,075,470
2021/22 Running Roll	161	120	£15,357,365	£14,370,415	41	£2,559,390
2022/23 Running Roll	83	23	£4,298,625	£4,198,175	60	£9,453,875

\* These years include a substantial number of additional appeals that relate to the Covid-19 pandemic. These were 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. The concern is that these may represent a significant additional work stream going forward. However, since the Non-Domestic Rates (Coronavirus) (Scotland) Act 2022 came into force, which was introduced with the aim of substantially reducing the number of appeals which proceed, a large number of appeals have been withdrawn. It remains to be seen whether the remaining appeals will also be withdrawn prior to their disposal deadline of 31 December 2023.

### Non-Domestic Rating Reform

Following the Barclay Review of Non-Domestic Rates and the subsequent introduction of the Non-Domestic Rates (Scotland) Act 2020, the Assessor and his staff have required to carry out a range of work to implement the provisions of the Act.

An exercise to identify and survey public parks, parts of parks and buildings within them which now fall to enter the Valuation Roll was carried out and this resulted in 123 new entries being made across Tayside with effect from 1 April 2023.

IT development work was carried out in order to support the requirement to provide addresses of rented properties which were taken into account in determining the basic valuation rate for certain subjects valued in comparison with other rented properties, and rented property lists can accordingly now be viewed on the SAA Portal where available.

Substantial work has been carried out and is ongoing in relation to an audit of the approximately 1,500 Tayside entries in the Valuation Roll for self-catering holiday accommodation. With effect from 1 April 2022, to remain entered in the Roll, as well as the existing requirement of an intention to make the property available for letting on a commercial basis for 140 days or more, properties must now actually be let for at least 70 days in the financial year. Where the above requirements are not satisfied, properties are being deleted from the Valuation Roll and entered into the Council Tax Valuation List.

Valuation Appeal Committee duties have now transferred to the Local Taxation Chamber of the Scottish Courts and Tribunals Service (SCTS) which was established on 1 April 2023, and the new two stage Proposals and Appeals system is now in force. Substantial work to both processes and systems to facilitate the new system has taken place and is ongoing. 1,097 outstanding non-domestic appeals have been transferred for Tayside to SCTS.

## General Revaluation 2023

The 2023 General Revaluation has been carried out and came into effect on 1 April 2023. This revaluation has implemented many of the reforms arising from the Barclay Review noted above. In preparation for the revaluation, the Board's Information Gathering Team was heavily engaged in ingathering rental and cost evidence upon which the valuations were based. Valuation staff carried out the substantial task of analysing that information and preparing schemes of valuation and Practice Notes in conjunction with colleague Assessors across the country. This was undertaken with the assistance of the Board's IT section in upgrading and amending the in-house valuation IT systems to accommodate new valuation practices and procedures. Further work was undertaken with colleague Assessors to upgrade the SAA Portal to provide the necessary enhancements.

For this Revaluation a draft valuation roll was published on 30 November 2022 indicating proposed values and draft Revaluation Notices indicating these values were issued to all proprietors, tenants and occupiers of Non-Domestic subjects throughout Tayside on 5 December. 22,245 subjects were revalued having a total Rateable value of approximately £447 million. Valuation Notices confirming final values were issued on 30 March 2023.

## Council Tax Banding

The Valuation List, which comprises 216,746 entries, was fully maintained during the year by adding new dwellings, deleting dwellings that have been demolished and re-banding dwellings as appropriate following alteration and sale. The list was maintained by way of weekly updates, with Banding Notices issued to Council Tax payers and notification of amendments to the three Councils' Finance Departments also transmitted on a weekly basis. Sales information continued to be identified and recorded to assist in the valuation and banding process.

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

The number of new dwellings entered in the Valuation List during 2022/23 and the period taken between their completion and entry on the list is detailed in the following table.

Local Authority Area	No of new entries	Percentage entered on Valuation List within		
		3 months	6 months	more than 6 months
Angus Council	396	94.90%	98.20%	1.80%
Dundee City Council	444	89.40%	97.50%	2.50%
Perth & Kinross Council	1,052	91.70%	96.90%	3.10%
Total	1,892	91.90%	97.40%	2.60%

The targets were set at 93% of new entries being made within 3 months and 98% within 6 months. The performance achieved was marginally below target. The allocation of substantial staff resource to disposal of outstanding proposals in order to minimise those to be transferred to Scottish Courts and Tribunal Service, and the requirement to transfer significant numbers of Self Catering Units to the Valuation List following notification of a change of use out with the six month period, impacted on the percentages achieved.

## 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, from the Scottish Prison Service and from various other sources. Where appropriate, forms were issued to encourage potential electors to register. Where electors had moved from their address they were removed from the Register and formal notifications were posted to inform them of this. Where the available information was not clear, 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.



The provisions of the Elections Act 2022 began to be introduced in January 2023, with applications being received for voter authority certificates from electors without appropriate photo ID, to allow them to vote in future UK General elections and UK Parliamentary by-elections. New procedures were introduced and comprehensive staff training was provided to allow successful implementation of this new requirement.

## **Elections 2022/23**

Scottish Local Government Elections took place as scheduled on 5 May 2022. A national media campaign was initiated jointly by Electoral Registration Officers across Scotland in order to provide as much information and guidance as possible for the electorate prior to the elections. In February 2022 a Household Notification Letter (HNL) detailing the electors registered at each address was issued to each household across Angus and Perth & Kinross. This letter identified the deadlines for new applications to register to vote and for postal and proxy votes and invited applications at an early date. The number of postal voters in Angus and Perth & Kinross rose from 57,632 on 1 March to 59,945 on 5 May 2022, an increase of 2,313. Staff covered both offices throughout polling day and all appropriate procedures were delivered as agreed with the relevant Returning Officers.

## **2022 Canvass**

The annual canvass of electors commenced in June 2022. Under current 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 Route 1 notification letter did not need to respond to the letter unless they had a change to report. This accounted for 79% 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 procedures.

Of the properties which received a Route 1 notification letter some 23,641 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.

Route 2 Canvass Forms (similar to the Household Enquiry Form) were issued to the remaining 28,560 households. These households were required to respond confirming that the elector details held were correct or to report any changes. Where no reply was received a Route 2 Canvass Reminder Form was issued. Where contact details were available attempts were made to contact non-responders by telephone or by email.

Door to door canvassers were engaged to visit any households that did not respond to a Route 2 Canvass Form or to contacts made by telephone and/or email. All canvassers continued to use a tablet instead of taking paper forms. The benefits from using the tablets were the mapping system, which automatically pinpoints the homes to be visited, a reduction in the weight of items to be carried and real time updates to reflect any changes to the list of outstanding properties to be visited.

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 2021 and those published on 1 December 2022 is as follows:

<b>Local Authority Area</b>	<b>Electorate at 1 December 2021</b>	<b>Electorate at 1 December 2022</b>	<b>Net Change</b>
Angus	91,235	91,024	-211
Perth & Kinross	119,386	120,318	932
<b>Total</b>	<b>210,621</b>	<b>211,342</b>	<b>721</b>

## 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 2022 are as follows:-

Local Authority Area	Total Electorate	Total No of Electors "Opting-Out"	Opt-Outs as %	Total on Open Register
Angus	91,024	44,734	49.1%	46,290
Perth & Kinross	120,318	65,450	54.4%	54,868
Total	211,342	110,184	52.1%	101,158

## Performance Standards

The Electoral Commission has launched its revised Performance Standards regime and the SAA has agreed a set of KPIs to help benchmark services with a view to improving performance. A report from the Commission on the Registers published on 1 December 2022 in terms of these indicators is awaited.

## 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 24 January 2022, approved the provisional 2022/23 Revenue Budget of £2,793,441 which was then requisitioned from the three Constituent Councils, in line with the following apportionment (based on Councils' 21/22 GAE figures for Lands Valuation and Council Tax Valuation):

Angus	26.42%	738,027
Dundee City	30.90%	863,173
Perth & Kinross	42.68%	1,192,241
	<b>100.00%</b>	<b>2,793,441</b>

The 2022/2023 Revenue Budget of £2,793,441 included the use of £26,000 from General Reserve and other net savings, including the review of office accommodation and an assumed 2% pay award, partly offset by a reduction in other budget heads.

The Joint Board received quarterly Revenue Monitoring reports during 2022/2023 in order to keep the members fully apprised as to the projected revenue outturn position. At its meeting on 23 August 2004, the Joint Board agreed that any 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 24<sup>th</sup> January 2022 to the revised budget figures that are included in the Comprehensive Income and Expenditure Statement shown on page 24.

Table 1 shows budget adjustments required by the 2022/2023 Code of Practice. Actual outturn figures and under/overspends are also shown and are explained in the detailed variance analysis below.

## TAYSIDE VALUATION JOINT BOARD

### Statement Reconciling the Movements Between the Approved Revenue Budget & The Actual Expenditure

Table 1

	Monitored Budget £000	Actual Expenditure £000	Variance
Staff Costs	3,060	3,043	(17)
Property Costs	201	186	(15)
Supplies and Services	323	443	120
Transport Costs	29	16	(13)
Third Party Payments	38	38	0
Corporate and Democratic Core	0	17	17
<b>Cost of Services</b>	<b>3,650</b>	<b>3,743</b>	<b>93</b>
<b>Income</b>			
Other Operating Income & Expenditure	(499)	(515)	(16)
Financing and Investment Income	(2)	(7)	(5)
Taxation and Non Specific Other Grant Income	(330)	(449)	(120)
<b>(Surplus) or deficit on Provision of Services before Requisitions</b>	<b>2,819</b>	<b>2,772</b>	<b>(47)</b>
Requisition Income	(2,793)	(2,793)	0
<b>Net (Surplus) / Deficit for the year on Funding Basis</b>	<b>26</b>	<b>(21)</b>	<b>(47)</b>

The outturn on Expenditure and Funding Analysis (page 23) indicates that £21,000 will be added to the General Reserve, which represents an underspend of £47,000 on the Revenue Budget.

The main budget variances are summarised below:

*Staff Costs (Underspend £17,000):*

A couple of posts were vacant at the start of the 22/23 financial year. Also, throughout the year posts budgeted as full time were filled by staff carrying out part time hours. This underspend would have been greater however the pay award to staff in 22/23 was £153k greater than budgeted and no additional funding was provided to support this additional cost.

*Property Costs (Underspend £15,000)*

Underspends on Rates (£2k) and Water charges (£3k) however the running costs of both Robertson House and William Wallace House were overspent by £7k and £13k respectively, mainly due to increased utility costs. There was a release of £27k from the Dilapidation provision for Robertson House following a review and reassessment of what is required.

*Supplies & Services (Overspend £120,000)*

Overspend primarily due to Postages (£51k), which included issue of draft and final notices for Revaluation 2023. Postage costs also rose significantly during 22/23. Other overspends included Electoral IT Licences (£26k) and Printing of Electors (£12k), Maintenance (£7k), Legal Fees (£6k) and Printing Forms (£5k).

*Transport Costs (Underspend £13,000)*

Fewer journeys taken due to new ways of working established since Covid-19. The change in working is reflected in the 23/24 budget.

*Third Party Payments (Overspend £1,000)*

Legal expenses were slightly more than anticipated due to spend on contentious appeals.

*Other Income and Expenditure (Over achieved Income £21,000)*

Additional income was received through Sale – Registers (£16k) and IORB (£5k).

*Taxation and Non-Specific Other Grant Income (Over achieved Income £120,000)*

£50k was used from the Individual Electoral Registration to cover costs associated with carrying out this work. Balance of funding is held in Earmarked General Reserve.

## **General Reserve**

In setting the 2022/23 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 earmarked in the setting of the Joint Board's 2022/23 Revenue Budget. This ensured no increase in the requisition from Constituent Councils. The financial performance of the Joint Board during 2022/23 meant that £21,000 allocation from General Reserve was required. The General Reserve balance at 31 March 2023 therefore has increased to £132,000, this includes ring-fenced amounts of £31,000 for the Barclay Review Implementation and £72,000 for Individual Electoral Registration. As the uncommitted general reserve has fallen beneath the minimum level advised by the treasurer this will be monitored and have remedial steps taken in 23/24.

## **Capital Expenditure**

During 2022/23 the Joint Board incurred £26,000 of capital expenditure on computer equipment and associated communications networking. This expenditure was funded by the three constituent councils.

## **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 2022/2023 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 £228,000 as at 31 March 2023. The estimated net Pension Liability at 31 March 2022 was £339,000.

## **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 continues to work with the SAA and Scottish Government on implementation of the recommendations from the Barclay Review, and additionally with the Electoral Commission and UK Government on implementing legislative changes in relation to Electoral Registration. The Assessor and his team continue to review the staff structure with a view to making additional changes going forward.

## **Principal 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 a reserve created through previous funding by the UK Cabinet Office. As shown on page 11, this reserve injected significant funding in 22/23 and no further funding for this finance gap is expected when the reserve has been fully used, which in future may increase the financial burden on the Joint Board. Ongoing Electoral Registration legislative changes will have an impact on future workloads and may have further potential financial impact.

Additional duties imposed on the Assessor as a result of implementation of the recommendations of the Barclay Review have been funded by the Scottish Government. Recent lower than anticipated funding allocations have though had a financial impact and it is uncertain whether this funding will continue into the longer term.

The Joint Board recognises the impact of continuing financial pressures on the constituent authorities and 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 standstill budget for 2023/24.

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 2022/2023. 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 2023 and everyone involved in the preparation of the annual accounts.

**Robert Emmott**  
**BSc, CPFA**  
**Treasurer**

**Tayside Valuation Joint**  
**Board**  
**20 November 2023**

**Roy Christie**  
**DipSurv MRICS AEA (Cert**  
**Scotland)**

**Assessor and Electoral**  
**Registration Officer**

**Tayside Valuation Joint**  
**Board**  
**20 November 2023**

**Kevin Cordell**  
**Convener**  
**Tayside Valuation Joint**  
**Board**  
**20 November 2023**

**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.

### **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 2022/23 are detailed in Table 1.



**TABLE 1**

Improvements 2022/23	Principle	Code Reference	Responsible Officer(s)	Target Completion Date	Progress Updates
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	31/01/2023	Progress carried forward from 2021/22 Prior to agreeing the annual Revenue Budget and as part of the budget preparation process, the Service reviews its budgets and realigns them to ensure that they reflect the best estimate of the cost of providing services for the financial year (the requirement to do this was agreed as part of the Medium Term Financial Strategy).
2 Review NDR Systems taking cognisance of Barclay Review Recommendations	2	2.5	Assessor	31/03/2023	The NDR systems are under review - with some updates having taken place in 21/22 - 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. Signed 29/06/2022
4 Review policies in relation to maintaining the health and wellbeing of the workforce	2	2.5	Assessor	31/03/2023	A number of policies were updated in 21/22, with the review and update of policies continuing in 22/23

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

During 2022/2023, Internal Audit have conducted audits in the areas of Electoral Registration, Data Protection/Freedom of Information and Follow up Reviews. No significant weaknesses were identified, although in relation to Data Protection/Freedom of Information, two opportunities for improvement have been identified and the Assessor is working to ensure these improvements are made. In the follow up reviews, only one item was identified as outstanding and has subsequently been actioned. 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 2022/06 concludes that, in the opinion of the Internal Auditor, the Joint Board operates adequate and effective arrangements for risk management, control and governance.

It is proposed that during 2023/24 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 2023/24</b>	<b>Principle</b>	<b>Code Reference</b>	<b>Responsible Officer(s)</b>	<b>Target Completion Date</b>	<b>Progress Updates</b>
1 Review NDR Systems taking cognisance of Barclay Review Recommendations	2	2.5	Assessor	31/03/2024	The NDR systems are under review - with some updates having taken place in 22/23 - and further development to ensure suitability for the new duties imposed by the Non-Domestic Rates (Scotland) Act 2020.
2 Review policies in relation to maintaining the health and wellbeing of the workforce	2	2.5	Assessor	31/03/2024	A number of policies were updated in 22/23, with the review and update of policies continuing in 23/24

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.

**Kevin Cordell**  
**Scotland)**  
**Convener**  
**Tayside Valuation Joint Board**  
**20 November 2023**

**Roy Christie DipSurv MRICS AEA (Cert**  
**Assessor and ERO**  
**Tayside Valuation Joint Board**  
**20 November 2023**

## 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, 3 and 5 are subject to audit, and the remainder of the report is subject to review.

#### REMUNERATION ARRANGEMENTS

##### Convener and Vice Convener

The remuneration of Councillors is regulated by the Local Governance (Scotland) Act 2004 (Remuneration) Regulations 2021 (Scottish Statutory Instrument No. 2021/18). 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 recharge for the Convener and Vice Convener of Tayside Valuation Joint Board are set out in Table 1.

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

Councillor Name	Responsibility	Area Representing	Total Recharge 2022/2023 £	Total Recharge 2021/2022 £
<b>Kevin Cordell (From 20th June 2022)</b>	Convener, Tayside Valuation Joint Board	Dundee City Council	6,965	0
<b>Dave Cuthbert (From 20th June 2022)</b>	Vice-Convener, Tayside Valuation Joint Board	Perth & Kinross Council	3,664	0
<b>Gavin Nicol (To 3rd May 2022)</b>	Convener, Tayside Valuation Joint Board	Angus Council	567	6,086
<b>Christina Roberts (To 3rd May 2022)</b>	Vice-Convener, Tayside Valuation Joint Board	Dundee City Council	109	1,165
<b>Total</b>			<b>11,304</b>	<b>7,251</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 2022/23. 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 2022/2023 £	Total Remuneration 2021/2022 £
Alastair Kirkwood (Note 1)	Assessor	19,611	-	19,611	112,262
Roy Christie (Note 1)	Assessor / Assistant Assessor	111,080	-	111,080	74,507
Donald Allan	Assistant Assessor	78,041	-	78,041	74,507
Linda Williamson	Assistant Assessor (Start Date 01/06/2022)	65,034	-	65,034	0
<b>Total</b>		<b>273,766</b>	<b>-</b>	<b>273,766</b>	<b>261,276</b>

Note 1: Alastair Kirkwood retired on 31 May 2022 and Roy Christie was appointed Assessor on 1 June 2022.

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	
	2021/2022	2022/2023
£50,000 - £54,999	2	1
£55,000 - £59,999	3	1
£60,000 - £64,999	0	3
£65,000 - £69,999	0	0
£70,000 - £74,999	2	0
£75,000 - £80,000	0	2
£100,000 -£114,999	1	1

### 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 2022/2023 remain at the 2009/2010 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**

<b>2021/2022 Whole Time Pay on Earnings:</b>	<b>Contribution Rate 2021/2022</b>	<b>2022/2023 Whole Time Pay on Earnings:</b>	<b>Contribution Rate 2022/2023</b>
up to and including £22,300	5.50%	up to and including £23,000	5.50%
above £22,301 and up to £27,300	7.25%	above £23,001 and up to £28,100	7.25%
above £27,301 and up to £37,400	8.50%	above £28,101 and up to £38,600	8.50%
above £37,401 and up to £49,900	9.50%	above £38,601 and up to £51,400	9.50%
above £49,901 and above	12%	above £51,401 and above	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**

<b>Employee Name</b>	<b>Post Title</b>	<b>Pension as at 31 March 2023 £000</b>	<b>Pension Difference from 31 March 2022 £000</b>	<b>Lump Sum as at 31 March 2023 £000</b>	<b>Lump Sum Difference from 31 March 2023 £000</b>	<b>Pension Cont. 2022/23 £</b>	<b>Pension Cont. 2021/22 £</b>
Roy Christie ( Note 1)	Assessor/Assistant Assessor	58	18	106	35	18,881	12,666
Donald Allan	Assistant Assessor	42	3	68	3	13,267	12,666
Linda Williamson	Assistant Assessor	19	18	18	18	11,056	0
<b>Total</b>		<b>119</b>	<b>39</b>	<b>192</b>	<b>56</b>	<b>43,204</b>	<b>25,332</b>

Note 1: Alastair Kirkwood retired on 31 May 2022 and Roy Christie was appointed Assessor on 1 June 2022

#### **Exit Packages**

There were no exit packages in 2022/23 (2021/22 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 2022/23, the scheme member contribution rate for Senior Employees was in the range of 8.7% to 9.8% (2021/2022 8.8% to 9.9%) of pensionable pay. In 2022/23, the employer contribution rate was 17.0% (2021/2022 17.0%) of pensionable pay for Senior Employees.
- (iii) 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 1/49th of average pensionable salary and years of pensionable service. Prior to 2015 the accrual rate guaranteed a pension based on 1/60th of final pensionable salary and years of pensionable service. Prior to 2009 the accrual rate guaranteed a pension based on 1/80th and a lump sum based on 3/80th of final pensionable salary and years of pensionable service.

**Kevin Cordell**  
**Scotland)**  
**Convener**  
**Tayside Valuation Joint Board**  
**20 November 2023**

**Roy Christie DipSurv MRICS AEA (Cert**  
**Assessor and ERO**  
**Tayside Valuation Joint Board**  
**20 November 2023**

## 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 19 June 2023.

**Kevin Cordell**  
**Tayside Valuation Joint Board**  
**20 November 2023**

#### 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 2023.

**Mr Robert Emmott, BSc, CPFA**  
**Treasurer**  
**Tayside Valuation Joint Board**  
**20 November 2023**

**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.

TAYSIDE VALUATION JOINT BOARD

Expenditure and Funding Analysis

2021/22			2022/23		
Net Expenditure Chargeable to the General Reserve	Adjustments between the Funding and Accounting Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement	Net Expenditure Chargeable to the General Reserve	Adjustments between the Funding and Accounting Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement
£000	£000	£000	£000	£000	£000
<b>EXPENDITURE</b>					
2,963	529	3,492	3,043	550	3,593
171	-	171	186	-	186
468	-	468	443	-	443
13	-	13	16	-	16
30	-	30	38	-	38
-	39	39	-	38	38
16	-	16	17	-	17
<b>3,661</b>	<b>568</b>	<b>4,229</b>	<b>3,743</b>	<b>588</b>	<b>4,331</b>
<b>(3,631)</b>	<b>33</b>	<b>(3,598)</b>	<b>(3,764)</b>	<b>(16)</b>	<b>(3,780)</b>
<b>30</b>	<b>601</b>	<b>631</b>	<b>(21)</b>	<b>572</b>	<b>551</b>
<b>141</b>			<b>111</b>		
<b>(30)</b>			<b>21</b>		
<b>-</b>			<b>-</b>		
<b>111</b>			<b>132</b>		

**NOTES TO THE EXPENDITURE FUNDING ANALYSIS**

NOTES TO THE EXPENDITURE AND FUNDING ANALYSIS

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

2021/22				2022/23				
Adjustments for Capital Purposes (Note A)	Net Change for the Pensions Adjustments (Note B)	Other Differences (Note C)	Total Adjustments	Adjustments from General Reserve to arrive at the Comprehensive Income and Expenditure Statement amounts	Adjustments for Capital Purposes (Note A)	Net Change for the Pensions Adjustments (Note B)	Other Differences (Note C)	Total Adjustments
£000	£000	£000	£000		£000	£000	£000	£000
-	606	(77)	529	Staff Costs	-	568	(19)	550
39	-	-	39	Depreciation	38	-	-	38
39	606	(77)	568	Cost of Services	38	568	(19)	588
<b>(18)</b>	<b>51</b>	<b>-</b>	<b>33</b>	Other Income and Expenditure from the Expenditure and Funding Analysis	<b>(16)</b>	<b>-</b>	<b>-</b>	<b>(16)</b>
<b>21</b>	<b>657</b>	<b>(77)</b>	<b>601</b>	Difference between the General Reserve Surplus or Deficit and CIES Surplus or Deficit on the Provision of Services	<b>22</b>	<b>568</b>	<b>(19)</b>	<b>572</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.

2021/22				2022/23		
Gross Expenditure	Gross Income	Net Expenditure		Gross Expenditure	Gross Income	Net Expenditure
£000				£000		
3,492	0	3,492	Staff Costs	3,592	0	3,592
171	0	171	Property Costs	186	0	186
468	0	468	Supplies and Services	443	0	443
13	0	13	Transport Costs	16	0	16
30	0	30	Third Party Payments	38	0	38
39	0	39	Capital Charges	38	0	38
16	0	16	Corporate and Democratic Core	17	0	17
<b>4,229</b>	<b>0</b>	<b>4,229</b>	<b>Cost Of Services</b>	<b>4,331</b>	<b>0</b>	<b>4,331</b>
0	(499)	(499)	Other Operating Income & Expenditure (note 5)	0	(516)	(516)
51	(1)	50	Financing and Investment Income and Expenditure (note 6)	12	(7)	5
0	(365)	(365)	Taxation & Non-specific Grant Income (Note 7)	0	(449)	(449)
<b>4,280</b>	<b>(865)</b>	<b>3,415</b>	<b>(Surplus) or Deficit on Provision of Services before Requisitions</b>	<b>4,343</b>	<b>(972)</b>	<b>3,370</b>
0	(18)	(18)	Recognised Capital Income (note 8)	0	(26)	(26)
0	(2,765)	(2,765)	Requisition Income	0	(2,793)	(2,793)
<b>4,280</b>	<b>(3,648)</b>	<b>631</b>	<b>(Surplus)/Deficit for the year on Provision of Services</b>	<b>4,343</b>	<b>(3,792)</b>	<b>551</b>
0	(2,316)	(2,316)	Actuarial (gains)/losses on pension liability	0	(679)	(679)
<b>4,280</b>	<b>(5,964)</b>	<b>(1,684)</b>	<b>Total Comprehensive Income and Expenditure</b>	<b>4,343</b>	<b>(4,471)</b>	<b>(127)</b>

The notes on pages 28 to 49 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 £000</b>	Unusable Reserves £000	<b>Total Board Reserves £000</b>
<b>Balance at 31 March 2021 carried forward</b>	<b>141</b>	<b>141</b>	<b>(2,061)</b>	<b>(1,920)</b>
<b><u>Movement in Reserves during 2021/2022</u></b>				
<b>Total Comprehensive Expenditure and Income</b>	<b>(631)</b>	<b>(631)</b>	2,329	<b>1,699</b>
Adjustments Between Accounting Basis & Funding Basis Under Regulations (Note 9)	601	<b>601</b>	<b>(602)</b>	<b>(1)</b>
<b>Increase/(Decrease) in 2021/2022</b>	<b>(30)</b>	<b>(30)</b>	<b>1,727</b>	<b>1,698</b>
<b>Balance at 31 March 2022 carried forward</b>	<b>111</b>	<b>111</b>	<b>(334)</b>	<b>(223)</b>
<b>Balance at 31 March 2022 carried forward</b>	<b>111</b>	<b>111</b>	<b>(334)</b>	<b>(223)</b>
<b><u>Movement in Reserves during 2022/2023</u></b>				
<b>Total Comprehensive Expenditure and Income</b>	<b>(551)</b>	<b>(551)</b>	679	<b>128</b>
Adjustments Between Accounting Basis & Funding Basis Under Regulations (Note 9)	572	<b>572</b>	<b>(572)</b>	-
<b>Increase/(Decrease) in 2022/2023</b>	<b>21</b>	<b>21</b>	<b>108</b>	<b>128</b>
<b>Balance at 31 March 2023 carried forward</b>	<b>132</b>	<b>132</b>	<b>(226)</b>	<b>(94)</b>

The notes on pages 28 to 49 form part of the 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 2022 £000	Note	31st March 2023 £000
100 Property, Plant & Equipment	22	79
<b>100 Long Term Assets</b>		<b>79</b>
40 Short Term Debtors	24	40
558 Cash and Cash Equivalents	14	462
<b>598 Current Assets</b>		<b>502</b>
<span style="color: red;">(457)</span> Short Term Creditors	25	<span style="color: red;">(350)</span>
<span style="color: red;">(56)</span> Capital Contributions Receipts in Advance	29	<span style="color: red;">(53)</span>
<b><span style="color: red;">(513) Current Liabilities</span></b>		<b><span style="color: red;">(403)</span></b>
<span style="color: red;">(70)</span> Provisions	26	<span style="color: red;">(43)</span>
<span style="color: red;">(339)</span> Net Pension Liabilities	18	<span style="color: red;">(228)</span>
<b><span style="color: red;">(409) Long Term Liabilities</span></b>		<b><span style="color: red;">(271)</span></b>
<b><span style="color: red;">(223) Net Asset Liabilities</span></b>		<b><span style="color: red;">(94)</span></b>
111 Usable reserves	10	132
<span style="color: red;">(334)</span> Unusable Reserves	11	<span style="color: red;">(226)</span>
<b><span style="color: red;">(223) Total Reserves</span></b>		<b><span style="color: red;">(94)</span></b>

**Robert Emmott, BSc, CPFA**  
**Treasurer**  
**Tayside Valuation Joint Board**  
**20 November 2023**

The unaudited accounts were authorised for issue on 21 June 2023 and the audited accounts were authorised for issue on 20 November 2023.

The notes on pages 28 to 49 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>2021/2022</b>		<b>2022/2023</b>
<b>£000</b>		<b>£000</b>
631	Net (surplus) or deficit on the provision of services	551
<u>(590)</u>	Adjust net (surplus) or deficit on the provision of services for non cash movements	<u>(481)</u>
<b>41</b>	<b>Net cash flows from Operating Activities (note 12)</b>	<b>70</b>
<u>18</u>	Investing Activities (note 13)	<u>26</u>
<b>59</b>	<b>Net (increase) or decrease in cash and cash equivalents</b>	<b>96</b>
<u>617</u>	Cash and cash equivalents at the beginning of the reporting period	<u>558</u>
<b>558</b>	<b>Cash and cash equivalents at the end of the reporting period (note 14)</b>	<b>462</b>

The notes on pages 28 to 49 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 2022/2023 financial year and its position at the year-end of 31 March 2023. The Board is required to prepare Annual Accounts by the The Local Authority Accounts (Scotland) Regulations 2014. Section 12 of the Local Government in Scotland Act 2003 requires that they be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2022/2023 and the Service Reporting Code of Practice 2022/2023, 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 27), 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.

Should the Local Government Pension Scheme (Tayside Pension Fund) pension scheme move into a net asset position based on IAS19, the requirements of IFRIC14 (*IAS19- The limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*) is applied using the key assumptions that fund population will remain stable, and that over the life of the fund service costs and future accruals (employer contributions) will apply.

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 2023 shows a net liability of £166k (at 31st March 2022 a deficit £223k). The movement in this is the IAS 19 Pensions Liability, which moved from £339k as at 31<sup>st</sup> March 2022 to £228k as at 31<sup>st</sup> March 2023. The IAS 19 Pension Liability figure is based on a "snap shot" at 31 March 2023 and the calculation is particularly sensitive to the vagaries of the stock market. This reserve cannot be used for another purpose. 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.

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

The deferral of implementation of IFRS 16 Leases to the 2024/2025 Code of Practice has meant that the 2023/2024 Code has not yet completed its full due process. There are no other relevant accounting standards that have been issued but that are not yet adopted in the 2023/2024 Code of Practice.

### **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 2023 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 £357,000.
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 34	The total value of provisions in the Joint Board's balance sheet at 31 March 2023 is £43,000. 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**

2021/2022		2022/2023
£000		£000
(490)	Recharge for Electoral Registration (Note 20)	(516)
(9)	Other Income	0
<u>(499)</u>	<b>Total</b>	<u>(516)</u>

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

2021/2022		2022/2023
£000		£000
51	Net interest on the net defined benefit liability	12
(1)	Interest receivable and similar income	(7)
<u>50</u>	<b>Total</b>	<u>5</u>

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

2021/2022		2022/2023
£000		£000
(365)	Government Grants (see note 30)	(449)
<u>(365)</u>	<b>Total</b>	<u>(449)</u>

8	<b>COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT - RECOGNISED CAPITAL INCOME</b>	
	<b>2021/2022</b>	<b>2022/2023</b>
	<b>£000</b>	<b>£000</b>
	(18)	Capital Contributions from Constituent Authorities in year (26)
	-	Capital Contributions Receipts in Advance Recognised in year -
	<b>(18)</b>	<b>Total (26)</b>

## 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.

	<b>General Reserve Balance</b>	<b>Movement in Unusable Reserves</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>2022/23</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	-
Assets Written off on Disposal	(10)	10	-
Capital contributions that have been applied to capital financing	26	(26)	-
<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)	(985)	985	-
Employer's pensions contributions and direct payments to pensioners payable in the year	417	(417)	-
<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	18	(18)	-
<b>Total Adjustments</b>	<b>(572)</b>	<b>572</b>	<b>-</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>2021/22</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	(39)	39	-
Capital contributions that have been applied to capital financing	18	(18)	-
<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)	(1,054)	1,054	-
Employer's pensions contributions and direct payments to pensioners payable in the year	397	(397)	-
<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	76	(76)	-
<b>Total Adjustments</b>	<b>(602)</b>	<b>602</b>	<b>-</b>

## 10 BALANCE SHEET - USABLE RESERVES

31 March 2022		31 March 2023
£000		£000
111	General Reserve	132
<b>111</b>	<b>Total Usable Reserves</b>	<b>132</b>

Of the General Reserve balance of £132,000 at 31 March 2023, £31,000 is ring-fenced for use towards the implementation of the recommendations arising from the Barclay Review (31 March 2022: £39,000), with a further £72,000 ring fenced for Individual Electoral Registration (31 March 2022: £0)

## 11 BALANCE SHEET - UNUSABLE RESERVES

31 March 2022		31 March 2023
£000		£000
67	Capital Adjustment Account	46
(339)	Pensions Reserve	(228)
(62)	Employee Statutory Adjustment Account	(44)
<b>(334)</b>	<b>Total Unusable Reserves</b>	<b>(226)</b>

2018/2019		2019/2020
£000		£000
64	Balance at 1 April	114

Capital Adjustment Account

Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:

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

Charges for depreciation and impairment of non-current assets under statutory provisions. The Account is debited with the cost of acquisition, construction or enhancement as depreciation and impairment losses are charged to the Comprehensive Income and Expenditure Statement. The Account is credited with the amounts set aside by the Joint Board as financing for the costs of acquisition, construction and enhancement.

Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing

Note 9 provides details of the source of all the transactions posted to the Account.

2021/2022		2022/2023
£000		£000
114	Balance at 31 March	91
88	Balance at 1 April	67
	Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:	
(39)	Charges for depreciation and impairment of non current assets	(38)
49	Capital financing applied in the year:	29
	Loss on Disposal	(9)
18	Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	26
<b>67</b>	<b>Balance at 31 March</b>	<b>46</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.

2021/2022 £000		2022/2023 £000
(2,011)	<b>Balance at 1 April</b>	(339)
2,329	Re-measurement of the net defined benefit liability/(asset)	679
(1,054)	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	(985)
397	Employer's pensions contributions and direct payments to pensioners payable in the year	417
<u>(339)</u>	<b>Balance at 31 March</b>	<u>(228)</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.

2021/2022 £000		£000	2022/2023 £000
(139)	<b>Balance at 1 April</b>		(62)
139	Settlement or cancellation of accrual made at the end of the preceding	62	
(62)	Amounts accrued at the end of the current year	(44)	
77	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		18
<u>(62)</u>	<b>Balance at 31 March</b>		<u>(44)</u>

## 12 CASH FLOW STATEMENT - OPERATING ACTIVITIES

The cash flows for operating activities include the following items:

<b>2021/2022</b> <b>£000</b>	<b>2022/2023</b> <b>£000</b>
(1) Interest received	(7)
<b>(1) Total Operating Activities</b>	<b>(7)</b>

13 **CASH FLOW STATEMENT - INVESTING ACTIVITIES**

<b>2021/2022</b> <b>£000</b>	<b>2022/2023</b> <b>£000</b>
18 Purchase of property, plant and equipment	26
<b>18 Total Investing Activities</b>	<b>26</b>

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

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

<b>31st March 2022</b> <b>£000</b>	<b>31st March 2023</b> <b>£000</b>
558 Bank current account	462
<b>558 Total cash and cash equivalents</b>	<b>462</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.

	2021/2022 £000	2022/2023 £000
Expenditure incurred in providing electoral registration services to Angus Council	214	218
Fee payable by Angus Council	(214)	(218)
Net surplus arising on the agency arrangement	-	-
Expenditure incurred in providing electoral registration services to Perth & Kinross Council	276	297
Fee payable by the Perth & Kinross Council	(276)	(297)
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:

	2021/2022 £000	2022/2023 £000
Convener and Vice-Convener Allowances	7	11
Total Members Allowances	7	11

## 17 EXTERNAL AUDIT COSTS

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

	2021/2022 £000	2022/2023 £000
Fees payable to Audit Scotland with regard to external audit services carried out by the appointed auditor for the year	8	9
<b>Total</b>	<b>8</b>	<b>9</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>2021/2022</b>	<b>2022/2023</b>
<b>Comprehensive Income and Expenditure Statement</b>	<b>£000</b>	<b>£000</b>
Cost of Services:		
• current service cost	1,003	973
Financing and Investment Income and Expenditure		
• net interest on the defined liability	37	3
• administration expenses	14	9
<b>Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services</b>	<b>1,054</b>	<b>985</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)	1,226	(2,728)
• Actuarial gains and losses arising on changes in financial assumptions	(1,155)	14,281
• Actuarial gains and losses arising on changes in demographic assumptions	-	(2,102)
• Other gains and losses	(150)	(8,775)
	<b>(79)</b>	<b>676</b>
<b>Total Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement</b>	<b>975</b>	<b>1,661</b>
<b>Movement in Reserves Statement</b>		
• reversal of net changes made to the Surplus or Deficit for Provision of Services for post employment benefits in accordance with the Code	(1,054)	(985)
Actual amount charged against the General Reserve Balance for pensions in the year:		
• employer's contributions payable to scheme	397	417

### 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>2021/22</b>	<b>2022/23</b>
	<b>£000</b>	<b>£000</b>
Present value of funded obligation	36,871	25,607
Fair value of Scheme assets (bid value)	(36,814)	(34,382)
<b>Net liability</b>	<b>57</b>	<b>(8,775)</b>
Present value of unfunded obligation	282	228
Impact of Asset Ceiling	0	8,775
<b>Net liability in balance sheet</b>	<b>339</b>	<b>228</b>

Reconciliation of fair value of the scheme assets:

<b>Local Government Pension Scheme</b>	<b>2021/2022</b>	<b>2022/2023</b>
	<b>£000</b>	<b>£000</b>
Opening balance at 1 April	35,036	36,814
Interest income on assets	699	949
Return on assets less interest	1,226	(2,728)
Other Actuarial Gains/(Losses)	0	0
Administrative expenses	(14)	(9)
Employer contributions	400	420
Contributions by scheme participants	150	156
Benefits paid	(683)	(1,220)
Closing balance at 31 March	<u>36,814</u>	<u>34,382</u>

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

<b>Funded Liabilities: Local Government Pension Scheme</b>	<b>Funded liabilities: Local Government Pension</b>	
	<b>2021/2022</b>	<b>2022/2023</b>
	<b>£000</b>	<b>£000</b>
Opening balance at 1 April	37,047	37,153
Current service cost	1,003	973
Interest cost	736	952
Contributions by scheme participants	150	156
<i>Remeasurement gains &amp; losses:</i>		
- Change in financial assumptions	(1,155)	(14,281)
- Change in demographic assumptions	0	0
Experience loss/(gain) on defined benefit obligation	55	2,102
Past Service Cost including Curtailments	0	0
Benefits paid	(683)	(1,220)
Closing balance at 31 March	<u>37,153</u>	<u>25,835</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 2022</b>		<b>31st March 2023</b>	
	<b>£000</b>	<b>%</b>	<b>£000</b>	<b>%</b>
Equities	26,070	71%	24,834	72%
Gilts	1,733	5%	831	2%
Other Bonds	4,395	12%	4,346	13%
Property	4,014	11%	3,364	10%
Cash	565	2%	947	3%
Alternatives	37	0%	60	0%
	<u>36,814</u>	<u>100%</u>	<u>34,382</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 2023.

The significant assumptions used by the actuary have been:

	2021/2022	2022/2023
<i>Mortality assumptions:</i>		
Longevity at 65 for current pensioners (years):		
Men	18.9	19.0
Women	22.3	22.4
Longevity at 65 for future pensioners (years):		
Men	20.3	20.4
Women	23.9	23.9
<i>Other assumptions:</i>		
Rate of inflation (RPI)	4.30%	3.90%
Rate of inflation (CPI)	3.30%	2.90%
Rate of increase in salaries	4.30%	3.90%
Rate of increase in pensions	3.30%	2.90%
Rate for discounting scheme liabilities	2.60%	4.80%

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 £25.835m and projected service cost of £475,000 at 31 March 2023).

	£000	£000
Adjustment to discount rate:	+0.1%	-0.1%
Present value of total obligation	25,478	26,199
Projected service cost	463	488
Adjustment to long term salary increase:	+0.1%	-0.1%
Present value of total obligation	25,906	25,765
Projected service cost	475	475
Adjustment to pension increases and deferred revaluation:	+0.1%	-0.1%
Present value of total obligation	26,135	25,542
Projected service cost	488	462
Adjusted to life expectancy assumption	+1 Year	-1 Year
Present value of total obligation	26,794	24,912
Projected service cost	493	457

### 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 2024 are £408,000.

The weighted average duration of the defined benefit obligation for scheme members is 15 years in 2022/2023 (2021/2022 – 18 years).

## 19 EVENTS AFTER THE BALANCE SHEET DATE

There were no events that occurred between 1 April 2023 and 19 June 2023 that would have an impact on the 2022/2023 financial statements. The latter date is the date on which the audited 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 2022/2023 financial year, the Joint Board entered into a number of transactions with the Constituent Councils as detailed below:

2021/2022			2022/2023	
Charges To £000	Charges From £000		Charges To £000	Charges From £000
<b>Angus Council</b>				
(731)	-	Valuation Services Requisition	(738)	-
(214)	-	Electoral Services Recharge	(218)	-
(74)	-	Barclay Review Funding	(87)	-
(5)	-	Contribution to Capital Expenditure	(7)	-
-	-	Sundry Recoveries and Sales	-	-
-	6	Convener Recharge	-	0
-	2	Office Cleaning Services	-	2
-	58	Property Rental	-	50
-	23	Non Domestic Rates	-	23
-	-	Recharged Expenditure	-	-
<b>(1,024)</b>	<b>89</b>		<b>(1,050)</b>	<b>75</b>
<b>Dundee City Council</b>				
(856)	-	Valuation Services Requisition	(863)	-
(87)	-	Barclay Review Funding	(101)	-
(5)	-	Contribution to Capital Expenditure	(8)	-
(1)	-	Interest Receivable	(7)	-
-	2	Office Cleaning Services	-	2
-	54	Central Support Services	-	51
-	-	Convener Recharge	-	7
-	-	Non Domestic Rates	-	-
-	-	Recharged Expenditure	-	-
<b>(949)</b>	<b>56</b>		<b>(979)</b>	<b>60</b>
<b>Perth &amp; Kinross Council</b>				
(1,177)	-	Valuation Services Requisition	(1,192)	-
(276)	-	Electoral Services Recharge	(297)	-
(119)	-	Barclay Review Funding	(140)	-
(8)	-	Contribution to Capital Expenditure	(8)	-
-	-	Sundry Recoveries and Sales	-	-
-	2	Office Cleaning Services	-	2
-	-	Convener Recharge	-	2
-	-	Property Rental	-	28
-	25	Non Domestic Rates	-	26
-	-	Recharged Expenditure	-	-
<b>(1,580)</b>	<b>27</b>		<b>(1,637)</b>	<b>58</b>

The undernoted balance existed between the Joint Board and its related parties as at 31 March 2023.

31 March 2022			31 March 2023	
Amounts	Amounts		Amounts	Amounts
Due From	Due To		Due From	Due To
£000	£000		£000	£000
		<b>Angus Council</b>		
8	-	Valuation Services Requisition	11	-
-	6	Recharged Expenditure	-	11
<u>8</u>	<u>6</u>		<u>11</u>	<u>11</u>
		<b>Dundee City Council</b>		
9	-	Valuation Services Requisition	-	-
(1)	-	Interest Receivable	7	-
-	-	Recharged Expenditure	-	22
<u>8</u>	<u>0</u>		<u>7</u>	<u>22</u>
		<b>Perth &amp; Kinross Council</b>		
13	-	Valuation Services Requisition	16	-
-	-	Recharged Expenditure	-	13
<u>13</u>	<u>0</u>		<u>16</u>	<u>13</u>

## 21 LEASES

### Board as Lessee

#### *Finance Leases*

The Valuation Joint Board held no assets on finance lease during 2022/2023 and accordingly, there were no finance lease rentals paid to lessors during 2022/2023 (2021/2022 None).

#### *Operating Leases*

The Valuation Joint Board occupied office premises in Perth and Forfar on operating leases during 2022/23. The total operating lease rentals paid to lessors in 2022/23 was £78,182 (2021/22 were £87,608).

In addition, Dundee City Council administers a Contract Car Hire Scheme on behalf of the employees of the Joint Board. In the financial year 2021/2022, total operating lease rental payments of £3,869 (2021/2022 £9,101) were made by the Joint Board to the lessor, offset by contributions of £1,280 from employees (2021/2022 £1,896).

In respect of operating leases at 31 March 2023, the Valuation Joint Board is committed to making payments to lessors of £352,854 (at 31 March 2022 - £457,881). This comprises the following elements:

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

	31 March 2022	31 March 2023
	£000	£000
Not later than one year	81	75
Later than one year and not later than five years	377	278
Later than five years	0	0
	<u>458</u>	<u>353</u>

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

	<b>31 March 2022</b>	<b>31 March 2023</b>
	<b>£000</b>	<b>£000</b>
Lease payments	97	82
Employee contributions	(2)	(1)
	<u>95</u>	<u>81</u>

## 22 PROPERTY, PLANT AND EQUIPMENT

Movements in Value of Information Technology Equipment during 2022/23

<b>Gross Book Value</b>	<b>£000</b>
At 1 April 2022	354
Additions	26
Disposals	(33)
<b>At 31 March 2023</b>	<u><b>347</b></u>
<b>Accumulated Depreciation and Impairment</b>	
At 1 April 2022	(254)
Depreciation charge	(38)
Written Back on Disposals	24
<b>At 31 March 2023</b>	<u><b>(268)</b></u>
<b>Net Book Value</b>	
<b>At 31 March 2023</b>	<u><b>79</b></u>
<b>At 31 March 2022</b>	<u><b>100</b></u>

### Disposals

During the year, sixteen items Information Technology Equipment were disposed of, however these were all recycled and no income was received.

### 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 3 year Capital Programme (2021 - 2024) which reflected the latest phasing of existing projects. The programme for future capital expenditure is as follows:

- 2023/2024 - £23,000

The programme continues to be funded by capital contributions from the three Constituent Councils.

## 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.

	2021/2022 £000	2022/2023 £000
Capital investment:		
Property, Plant and Equipment	18	26
Sources of finance:		
Contributions from Constituent Councils Received in Year	(18)	(26)
Contributions Receipts in Advance Recognised in Year	0	0
Closing Capital Financing Requirement	-	-

## 24 SHORT TERM DEBTORS

	31 March 2022 £000	31 March 2023 £000
Central government bodies	27	16
Local authorities	1	7
Other entities and individuals	12	17
<b>Total</b>	<b>40</b>	<b>40</b>

## 25 SHORT TERM CREDITORS

	31 March 2022 £000	31 March 2023 £000
Central government bodies	146	0
Local authorities	27	49
Other entities and individuals	284	301
<b>Total</b>	<b>457</b>	<b>350</b>

## 26 PROVISIONS

<b>Dilapidations obligations upon completion of Robertson House Lease</b>	<b>£000</b>
Balance at 1 April 2022	70
Released Provision in 2022/2023	(27)
Amounts Used in 2022/2023	-
<b>At 31 March 2023</b>	<b>43</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 2028. 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 2023 in relation to Dilapidations obligations upon completion of Robertson House Lease, which is included within Provisions (Note 26) at 31 March 2023. There were no other Contingent Liabilities at this date.

## 28 CONTINGENT ASSETS

No contingent assets existed at 31 March 2023 (31 March 2022 None).

## 29 CAPITAL CONTRIBUTION INCOME

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

	<b>2021/2022</b>	<b>2022/2023</b>
	<b>£000</b>	<b>£000</b>
Capital Contributions from Constituent Councils Received in Year	18	26
Capital Contributions Receipts in Advance Recognised in Year	0	0
<b>Total</b>	<b>18</b>	<b>26</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:

	<b>31 March 2022</b>	<b>31 March 2023</b>
	<b>£000</b>	<b>£000</b>
<b>Capital Contributions Receipts in Advance:</b>		
At 1 April	51	56
Capital Contributions received in year		
Constituent Councils	23	23
Transfer to Recognised Capital Income	(18)	(26)
<b>At 31 March</b>	<b>56</b>	<b>53</b>

**30 GRANT INCOME**

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

	<b>31 March 2022</b>	<b>31 March 2023</b>
	<b>£000</b>	<b>£000</b>
UK Cabinet Office – Individual Electoral Registration Funding	-	121
Scottish Government - Implementation of Barclay Review	280	328
Scottish Government - Scottish Parliament Elections Postal Vote Funding	85	-
Scottish Government - Scottish Parliament Elections Household Notification Letters Funding	-	-
<b>Total</b>	<b>365</b>	<b>449</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:

	<b>31 March 2022</b>	<b>31 March 2023</b>
	<b>£000</b>	<b>£000</b>
UK Cabinet Office – Individual Electoral Registration Funding	121	-
Scottish Government - Scottish Parliament Elections Postal Vote Funding	-	-
Scottish Government - Registration of Foreign Nationals Funding	-	-
<b>Total</b>	<b>121</b>	<b>0</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**

### **Reporting 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 2023 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 significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards, as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 (the 2022/23 Code).

In my opinion the accompanying financial statements:

- give a true and fair view of the state of affairs of Tayside Valuation Joint Board as at 31 March 2023 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards, as interpreted and adapted by the 2022/23 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 by the Accounts Commission on 2 December 2022. my period of appointment is five years, covering 2022/23 to 2026/27. Including a previous appointment, the period of total uninterrupted appointment will be seven years. I am independent of the 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 the 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 the Tayside Valuation Joint Board 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.

These conclusions are not intended to, nor do they, provide assurance on the current or future financial sustainability of Tayside Valuation Joint Board. However, I report on the Tayside Valuation Joint Board arrangements for financial sustainability in a separate Annual Audit Report available from the [Audit Scotland website](#).

#### **Risks of material misstatement**

I report in my Annual Audit Report 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 they determine 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 the ability of Tayside Valuation Joint Board to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is an intention to discontinue Tayside Valuation Joint Board's operations.

The 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 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:

- using my understanding of the local government sector to identify that the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003 are significant in the context of Tayside Valuation Joint Board;
- inquiring of the Treasurer as to other laws or regulations that may be expected to have a fundamental effect on the operations of Tayside Valuation Joint Board;
- inquiring of the Treasurer concerning the policies and procedures of Tayside Valuation Joint Board regarding compliance with the applicable legal and regulatory framework;
- discussions among my audit team on 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 the Tayside Valuation Joint Board 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 [www.frc.org.uk/auditorsresponsibilities](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 parts of the Remuneration Report

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

### Other information

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

My responsibility is to read all the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the course of 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 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 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 the 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.

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, including those in respect of Best Value, 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 108 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  
Senior Audit Manager  
4th Floor, 8 Nelson Mandela Place  
Glasgow  
G2 1BT