



*Dunbartonshire and Argyll & Bute
Valuation Joint Board*

Council Offices
16 Church Street
Dumbarton
G82 1QL

17 September 2019

Dear Sir/Madam

DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD

You are requested to attend a meeting of the above Joint Board to be held in
**The Civic Space, 16 Church Street, Dumbarton G82 1QL at 12 noon on
Wednesday, 25 September 2019.**

The business is as shown on the enclosed agenda.

Tea and coffee will be provided on arrival and a light buffet lunch will be provided after the meeting.

I shall be obliged if you will advise Nuala Borthwick (Tel. 01389 737594, email: nuala.borthwick@west-dunbarton.gov.uk) if you are unable to attend the meeting.

Yours faithfully

PETER HESSETT

Clerk to the Valuation Joint Board

Distribution:-

Councillor Graham Archibald Hardie, Argyll & Bute Council
Councillor Donald MacMillan, Argyll & Bute Council
Councillor Iain Paterson, Argyll & Bute Council
Councillor Alastair Redman, Argyll & Bute Council
Councillor Richard Trail, Argyll & Bute Council
Councillor Jim Gibbons, East Dunbartonshire Council
Councillor John Jamieson, East Dunbartonshire Council
Councillor Denis Johnston, East Dunbartonshire Council
Councillor Stewart MacDonald, East Dunbartonshire Council
Councillor Vaughan Moody, East Dunbartonshire Council
Councillor Sandra Thornton, East Dunbartonshire Council
Bailie Denis Agnew, West Dunbartonshire Council
Councillor Jim Brown, West Dunbartonshire Council
Councillor Jonathan McColl, West Dunbartonshire Council
Councillor Marie McNair, West Dunbartonshire Council
Councillor John Millar, West Dunbartonshire Council

All Substitute Councillors for information

Date of issue: 12 September 2019

DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD

WEDNESDAY 25 SEPTEMBER 2019

AGENDA

1 APOLOGIES

2 DECLARATIONS OF INTEREST

Members are invited to declare if they have an interest in any of the items of business on this agenda and the reasons for such declarations.

3 MINUTES OF PREVIOUS MEETING 7 - 12

Submit, for approval as a correct record, the Minutes of Meeting of the Valuation Joint Board held on 28 June 2019.

4 ANNUAL REPORT AND FINAL ACCOUNTS FOR YEAR ENDING 31 MARCH 2019 13 - 72

Submit report by the Treasurer presenting the Annual Report and Final Accounts for the year ending 31 March 2019.

5 AUDIT SCOTLAND'S ANNUAL AUDIT REPORT TO MEMBERS AND THE CONTROLLER OF AUDIT 73- 104

Submit report by the Treasurer advising of Audit Scotland's Annual Audit Report to Members and the Controller of Audit 2018/19.

6 REVENUE & CAPITAL BUDGETARY CONTROL REPORT TO 31 AUGUST 2019 (PERIOD 5) 105 - 109

Submit report by the Treasurer advising on the progress of both the revenue budget and the capital programme for 2019/2020.

7/

7 NON DOMESTIC RATES AND COUNCIL TAX VALUATION PROGRESS 111 - 113

Submit report by the Assessor and Electoral Registration Officer:-

- (a) advising of progress in relation to the Assessor's Non-Domestic Rating (NDR) valuation function;
- (b) advising of progress in relation to disposal of 2017 Revaluation appeals;
- (c) providing an update on progress in relation to Reform of the Non-Domestic rating system; and
- (d) advising of progress in relation to the Assessor's Council Tax valuation function.

8 NON DOMESTIC RATES REFORM 115 - 126

Submit report by the Depute Assessor and Electoral Registration Officer providing an update on the current position in relation to the Non-Domestic Rates (Scotland) Bill and the wider Non Domestic Rates Reform changes arising from the Barclay Report.

9 ELECTORAL REGISTRATION PROGRESS 127 - 130

Submit report by the Assessor and Electoral Registration Officer providing an update on the current position in relation to Electoral Registration.

10 PROPERTY – LEASE OF GRASSED AREA AT 235 DUMBARTON ROAD, CLYDEBANK 131 - 143

Submit report by the Assessor and Electoral Registration Officer advising of a new lease agreement for the let of a grassed area at the rear of the Joint Board's offices at 235 Dumbarton Road, Clydebank.

11 PUBLIC SECTOR EQUALITY DUTY 145 - 181

Submit report by the Depute Assessor and Electoral Registration Officer advising of the publication of The Public Sector Equality Duty.

12 REVIEW OF STANDING ORDERS 183 - 198

Submit report by the Clerk to the Joint Board seeking approval of a revised version of the Joint Board's Standing Orders.

13 UPDATE TO THE VALUATION JOINT BOARD FINANCIAL REGULATIONS

199 - 244

Submit report by the Treasurer to the Valuation Joint Board seeking approval of a number of amendments in the Financial Regulations.

14 DATES OF FUTURE MEETINGS

Members are requested to consider the undernoted dates for future meetings of the Valuation Joint Board:-

- (a) Friday, 6 March 2020 at 11.00 a.m. in Argyll and Bute Council Offices (venue to be confirmed);
- (b) Friday, 19 June 2020 or Friday, 26 June 2020 at 11.00 a.m. in East Dunbartonshire Council Offices (venue to be confirmed); and
- (c) Friday, 16 September 2020 at 12 noon in The Civic Space, West Dunbartonshire Council offices, 16 Church Street, Dumbarton G82 3QL.

Members are requested to note that a meeting of the Finance Working Group will be required on a suitable date in December 2019.

DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD

At a Meeting of the Dunbartonshire and Argyll & Bute Valuation Joint Board held in the Main Hall, Victoria Halls, Sinclair Street, Helensburgh on Friday, 28 June 2019 at 11.05 a.m.

Present: Councillors Graham Archibald Hardie, Donald MacMillan, Alastair Redman, and Richard Trail, Argyll & Bute Council; Councillors Jim Gibbons and John Jamieson, East Dunbartonshire Council; and Bailie Denis Agnew* and Councillors Jim Brown* and Marie McNair, West Dunbartonshire Council.

*Arrived later in the meeting.

Attending: David Thomson, Assessor and Electoral Registration Officer; Robert Nicol, Depute Assessor and Electoral Registration Officer; Joanne Thomson, Accountant; and Scott Kelly, Committee Officer, West Dunbartonshire Council.

Also attending: Richard Smith, Senior Audit Manager, Audit Scotland.

Apologies: Apologies for absence were intimated on behalf of Councillor Iain Paterson, Argyll & Bute Council; Councillors Denis Johnston, Stewart MacDonald and Vaughan Moody, East Dunbartonshire Council; and Councillors Jonathan McColl and John Millar, West Dunbartonshire Council. Apologies were also given on behalf of Stephen West, Treasurer; Gillian McNeilly, Finance Manager; Colin McDougall, Audit Manager; and Rosemary Nelson, Principal Administration Officer.

Councillor Richard Trail in the Chair

DECLARATIONS OF INTEREST

It was noted that there were no declarations of interest in any of the items of business on the agenda.

Having heard the Assessor and Electoral Registration Officer, the Joint Board noted that the Depute Assessor and Electoral Registration Officer would leave the meeting during consideration of the item 'Salary of Depute Assessor & ERO 2018/19 Et Seq'.

MINUTES OF PREVIOUS MEETINGS

The Minutes of Meeting of the Dunbartonshire and Argyll & Bute Valuation Joint Board held on 1 March 2019 were submitted and approved as a correct record.

The Note of Meeting of the Dunbartonshire and Argyll & Bute Valuation Joint Board Finance Working Group held on 3 May 2019 was submitted and noted.

NON-DOMESTIC RATING AND COUNCIL TAX VALUATION PROGRESS

A report was submitted by the Assessor and Electoral Registration Officer (ERO) advising:-

- (a) of progress in relation to the Assessor's Non-Domestic Rating (NDR) valuation function;
- (b) in particular, of progress in relation to the disposal of 2017 Revaluation appeals;
- (c) of on-going activities to implement the recommendations of the 'Barclay' Review, the Non-Domestic Rating (Scotland) Bill and subsequent secondary legislation; and
- (d) of progress in relation to the Assessor's Council Tax valuation function.

Having heard the Assessor and ERO in further explanation of the report and in answer to Members' questions, the Joint Board agreed to note:-

- (1) the progress in relation to disposal of Non-Domestic Rating appeals;
- (2) the progress in relation to general maintenance of the Valuation Roll;
- (3) the progress and planning which was under way in respect of the changes to be introduced through the Non-Domestic Rating (Scotland) Bill;
- (4) the progress in relation to general maintenance of the Council Tax List; and
- (5) the progress in relation to the disposal of Council Tax proposals and appeals.

ELECTORAL REGISTRATION

A report was submitted by the Assessor and Electoral Registration Officer (ERO) providing an update on the current position in relation to Electoral Registration.

After discussion and having heard the Assessor and ERO in further explanation of the report and in answer to Members' questions, the Joint Board agreed to note the content of the report.

Note: Bailie Agnew and Councillor Brown entered the meeting during consideration of this item.

BEST VALUE – PERFORMANCE REPORTING AND PLANNING

A report was submitted by the Assessor and Electoral Registration Officer (ERO):-

- (a) providing an update on progress in relation to Best Value and, in particular, advising on external performance reports for the year 2018/19;
- (b) seeking approval of the Public Performance Report for 2018/19; and
- (c) seeking approval of the KPI targets for 2019/20.

Having heard the Assessor and ERO in further explanation of the report and in answer to a Member's question, the Joint Board agreed:-

- (1) to note the performance in relation to the Valuation Roll and Council Tax List KPIs for 2018/19;
- (2) to approve the Public Performance Report for 2018/19;
- (3) to approve the KPI targets for 2019/20; and
- (4) to note that the Assessor and ERO would provide Members of the Joint Board with details of the number of electors in each of the three constituent local authority areas.

BEST VALUE – SERVICE PLANNING

A report was submitted by the Assessor and Electoral Registration Officer (ERO) seeking approval of the April 2019 update to the 2018-21 Service Plan.

Having heard the Assessor and ERO in further explanation of the report and in answer to Members' questions, the Joint Board agreed:-

- (1) to approve the April 2019 update to Service Plan for the period 2018-21; and
- (2) to note that a report in relation to Equalities would be submitted to the next meeting of the Joint Board.

BEST VALUE – CUSTOMER SERVICE UPDATE

A report was submitted by the Assessor and Electoral Registration Officer (ERO) advising of:-

- (a) the results from the Customer Consultation process during 2018/19; and

- (b) the outcomes from the Complaints Procedure during 2018/19.

After discussion and having heard the Assessor and ERO in further explanation of the report and in answer to Members' questions, the Joint Board agreed:-

- (1) to note the positive results from the Customer Satisfaction Survey; and
- (2) to note the results from the Complaints Procedure.

BEST VALUE – RISK MANAGEMENT UPDATE

A report was submitted by the Assessor and Electoral Registration Officer (ERO):-

- (a) seeking approval of the Joint Board's Risk Register for 2019/20; and
- (b) advising on an assessment of the risks to the Joint Board of the UK's proposed withdrawal from the European Union.

Having heard the Assessor and ERO in further explanation of the report and in answer to Members' questions, and having given individual consideration to each of the five risks detailed in the Risk Register, the Joint Board agreed:-

- (1) to approve the Board Risk Register, including the actions shown therein and the scoring for each risk, for 2019/20; and
- (2) to note the assessment and management of risk associated with the UK's proposed withdrawal from the European Union.

PERSONNEL POLICIES – WELLBEING CHARTER

A report was submitted by the Assessor and Electoral Registration Officer (ERO) seeking approval of a 'Wellbeing Charter' for application within the Joint Board.

After discussion and having heard the Assessor and ERO in further explanation of the report and in answer to Members' questions, the Joint Board agreed to approve the Wellbeing Charter for implementation within the Joint Board.

Note: The Deputy Assessor and Electoral Registration Officer left the meeting prior to consideration of the following item.

SALARY OF DEPUTE ASSESSOR & ERO 2018/19 ET SEQ

A report was submitted by the Assessor and Electoral Registration Officer (ERO) seeking approval of an amendment to the salary paid to the Deputy Assessor and ERO for 2018/19 and thereafter.

After discussion and having heard the Assessor and ERO in further explanation of the report and in answer to Members' questions, the Joint Board agreed:-

- (1) to approve the increase in the Depute Assessor and ERO's salary for 2018/19 and subsequent years as detailed in paragraphs 4.1 and 4.2 of the report;
- (2) that the 80% relationship to the Assessor and ERO's salary be reinstated at any future appointment to the post of Depute Assessor and ERO; and
- (3) that the Assessor and ERO should liaise with West Dunbartonshire Council's Human Resources section to check whether it may be feasible for the Assessor and ERO and Depute Assessor and ERO posts to be aligned with existing pay scales and, if so, bring a report to a future meeting of the Joint Board outlining a proposal in this regard.

Note: The Depute Assessor and Electoral Registration Officer re-entered the meeting at this point.

DRAFT ANNUAL REPORT AND FINAL ACCOUNTS FOR YEAR ENDING 31 MARCH 2019

A report was submitted by the Assessor and Electoral Registration Officer (ERO) presenting the draft Annual Report and Final Accounts for the year ending 31 March 2019.

After discussion and having heard the Accountant, the Assessor and ERO and the Senior Audit Manager in further explanation of the report and in answer to Members' questions, the Joint Board agreed:-

- (1) to note the contents of the report and the financial position of the Joint Board as at 31 March 2019;
- (2) to note the Draft Management Commentary and Financial Statements for the year to 31 March 2019;
- (3) to note that the audited accounts would be reported to a future meeting for approval; and
- (4) that officers should liaise with the Auditors to check if it may be feasible for the Management Commentary to be more brief in the future.

Note: Councillor McNair left the meeting during consideration of this item.

FUNDING WORKING GROUP

A report was submitted by the Assessor and Electoral Registration Officer (ERO) advising of the progress of the Joint Board's Funding Working Group.

Having heard the Assessor and ERO in further explanation of the report, the Joint Board agreed:-

- (1) to note that the Working Group would not report to the Joint Board in September 2019; and
- (2) that, alternatively, the Working Group would meet again in December 2019 with a view to informing the budget setting process for 2020/21 and beyond.

ASSURANCE STATEMENT FOR THE YEAR ENDED 31 MARCH 2019 FROM THE AUDIT MANAGER

A report was submitted by the Treasurer advising of the contents of the annual Assurance Statement given in support of the Annual Governance Statement and outlining how audit assurances are obtained.

Having heard the Assessor and Electoral Registration Officer in further explanation of the report, the Joint Board agreed to note the contents of the annual Assurance Statement for the year ended 31 March 2019 which were provided at Appendix A to the report.

DATE OF NEXT MEETING

Following discussion, the Joint Board agreed:-

- (1) that the next meeting of the Joint Board would be held at 12.00 noon on Wednesday, 25 September 2019 in the Council Offices, Church Street, Dumbarton;
- (2) to note that consideration would be given at that meeting to the date and venue of the subsequent meeting; and
- (3) to note the terms of the discussion which had taken place in relation to the 'Best Value – Customer Service Update' report and whether the users of the Joint Board's services should be described as 'customers' or 'users', and to leave it to the discretion of the Assessor and ERO to determine an appropriate title for this report in the future.

The meeting closed at 12.20 p.m.

DUNBARTONSHIRE and ARGYLL & BUTE VALUATION JOINT BOARD

Report by Treasurer

Valuation Joint Board – 25 September 2019

**Subject: Annual Report and Final Accounts for Year Ending
31 March 2019**

1. Purpose

- 1.1** The purpose of this report is to present to Members of the Board the Annual Report and Final Accounts for the year ending 31 March 2019.

2. Background

- 2.1** The Local Authority Accounts (Scotland) Regulations 2014 (the accounts regulations) came into force on 10 October 2014. These Regulations introduced:

- (a) Best practice of the draft Annual Report and Final Accounts being reported to the Board for formal consideration prior to submission to the Accounts Commission by 30 June each year; and
- (b) The notice of public right to inspect and object to the Financial Statements to commence no later than 17 June 2019 with the accounts available for inspection by 1 July 2019.

- 2.2** A Balance and Reserve Policy was approved by the Board at its meeting in November 2012. The Board's Prudential Reserve Policy is to retain a prudential target of 2% of net expenditure (£52,223) or £100,000 whichever is higher.

3. Main Issues

- 3.1** Audit Scotland has finalised their audit of the Joint Board's 2018/19 Annual Accounts. There were no material adjustments to the unaudited financial statements.
- 3.2** Audit Scotland's Annual Report to Members and the Controller of Audit is submitted as a separate agenda item to this meeting and provides further information on matters which were reviewed during the audit and which the Auditor feels worthy of Members' attention.

- 3.3** The Management Commentary (pages 2 to 20) consists of an annual report from the Assessor and the Treasurer on matters of interest including financial and non-financial performance during the year, service changes and developments, impact on financial climate and risks, provisions and contingencies.
- 3.4** Members' attention is drawn to the Statement of Responsibilities on page 25.
- 3.5** The Annual Governance Statement is included on pages 26 to 29. This Statement assures stakeholders on how the Board directs and controls its functions and how it relates to communities which will enhance transparency and scrutiny of the Board's activities.
- 3.6** The main change from the audited Accounts was a revision to the Pension information within the financial statements and notes. A revised actuaries report was requested from the Pension Fund after the submission of the draft Annual Accounts due to the material impact on the pensions valuation caused by some recent legal rulings within UK courts (in this case the McCloud/Sargeant ruling and the Guaranteed Minimum Pension (GMP) indexation). As a result of these cases the financial statements were amended to reflect the new valuation and a change in the pension value of £396,000. Below is a brief explanation on both the McCloud/Sargeant Ruling and GMP indexation.

McCloud/Sargeant Ruling

When the Local Government Pension Scheme (LGPS) Scotland benefit structure was reformed in 2015, transitional protections were applied to certain older members close to normal retirement. The benefits accrued from 1 April 2015 by these members are subject to an 'underpin' which means that they cannot be lower than what they would have received under the previous benefit structure. The underpin ensures that these members do not lose out from the introduction of the new scheme. In December 2018 the Court of Appeal upheld a ruling ("McCloud/Sargeant") that similar transitional protections in the Judges' and Firefighters' Pensions Schemes were unlawful on the grounds of age discrimination.

GMP indexation

GMP was accrued by members of the Local Government Pension Scheme (LGPS) between 6 April 1978 and 5 April 1997. The value of GMP is inherently unequal between males and females for a number of reasons, including a higher retirement age for men and GMP accruing at a faster rate for women. However overall equality of benefits was achieved for public service schemes through the interaction between scheme pensions and the Second State Pension. The introduction of the new Single State Pension in April 2016 disrupted this arrangement and brought uncertainty over the ongoing indexation of GMPs, which could lead to inequalities between men's and women's benefits.

As an interim solution to avoid this problem, GMP rules were changed so that the responsibility for ensuring GMPs kept pace with inflation passed in full to pension schemes themselves for members reaching state pension age between 6 April 2016 and 5 April 2021. This new responsibility leads to increased costs for schemes (including the LGPS) and hence scheme employers.

- 3.7** The Management Commentary summarises the financial position of the Board. The Board's 2018/19 budget was constructed to break even using £0.156m of balances. However the Board completed the year with a further contribution to the funds brought forward of £0.001m and did not need to access reserves. This contribution, together with the unused planned use of £0.156m, results in an overall underspend against budget in-year of £0.157m. The main variances are shown in the table below:

| Spend Area | Variance £000 | Comments |
|---------------------|--------------------------|---|
| Employee | (59) | This underspend is mainly due to non-filling of vacancies. |
| Property | (26) | This underspend is mainly due to lower than anticipated expenditure on rates, energy and accommodation costs. |
| Supplies & Services | (49) | This underspend is across a number of headings (such as machine lease, computer licences, telephones, printing & stationery). |

- 3.8** As at 31 March 2019, the Board held usable reserves as noted below:

| | £000 | £000 |
|------------------------------|-------------|-------------|
| Capital reserves: | | |
| Earmarked | | 25 |
| Revenue reserves: | | |
| Earmarked | 162 | |
| Prudential Target | 100 | |
| Unearmarked | 290 | 552 |
| Total usable reserves | | 577 |

- 3.8** The Joint Board recognises the difficult financial climate facing public services and has continued to seek efficiencies where possible. The level of requisition made by the Board for 2018/19 remained the same as 2017/18. Given the forecast reduction in funding for local government into the future it is anticipated that levels of funding may be challenging going forward into 2019/20 and beyond and management have commenced planning for this to ensure ongoing service delivery reflecting the increasing workload to the Board.

3.9 The Board on 1 March 2019 agreed to set up a Member/ Officer Working Group to consider the forecast financial position of the Board, the burdens being faced by the Board currently and into the future, with a view to agreeing a longer term financially sustainable position.

3.10 The purpose of this short life working group is:

- (a) To ensure that the VJB is being as efficient as possible and has considered all potential approaches to cost saving (which maintain level/quality of service); and
- (b) To consider the future funding levels given the significant change arising from Barclay and other future changes, cost pressures, etc.

3.11 Members of the working group had their first meeting on the 3 May 2019 and agreed to postpone any future meetings until financial year end is complete.

4. Conclusions and Recommendations

4.1 The finances of the Board have been closely managed during 2018/19 allowing a better financial position to be recorded than had been planned. This will assist, along with ongoing consideration of further efficiencies, to allow a planned approach to any future funding restrictions on the Board.

4.2 Members are asked to approve the post-audit Annual Accounts for the year ended 31 March 2019.

.....
Stephen West

Treasurer

Date: 17 September 2019

Person(s) to Contact: Gillian McNeilly, Finance Manager
West Dunbartonshire Council
Telephone (01389) 737194

Appendix: Annual Accounts for year ended 31 March 2019



*Dunbartonshire and Argyll & Bute
Valuation Joint Board*

ANNUAL ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2019

***DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019***

CONTENTS

| | <u>Page Nos.</u> |
|---|----------------------|
| 1. Members of the Board | 1 |
| 2. Management Commentary | 2 - 20 |
| 3. Remuneration Report | 21 - 24 |
| 4. Statement of Responsibilities | 25 |
| 5. Annual Governance Statement | 26 - 29 |
| 6. Introduction to Annual Accounts | 30 |
| 7. Comprehensive Income and Expenditure Statement for the year ended 31 March 2019 | 31 |
| 8. Movement in Reserves Statement | 32 - 33 |
| 9. Balance Sheet as at 31 March 2019 | 34 |
| 10. Cashflow Statement for the year ended 31 March 2019 | 35 |
| 11. Notes to the Annual Accounts | 36 – 51 |
| 12. Independent Auditor's Report | 52 - 54 |

JOINT BOARD MEMBERS AND OFFICIALS AS AT 31 MARCH 2019

ARGYLL & BUTE COUNCIL

Councillor Richard Trail (Convenor)
Councillor Graham Archibald Hardie
Councillor Alastair Redman
Councillor Iain Paterson
Councillor Donald MacMillan, BEM

EAST DUNBARTONSHIRE COUNCIL

Councillor Vaughan Moody (Vice Convenor)
Councillor John Jamieson
Councillor Jim Gibbons
Councillor Sandra Thornton
Councillor Stewart MacDonald
Councillor Denis Johnston

WEST DUNBARTONSHIRE COUNCIL

Councillor John Millar
Councillor Jonathan McColl
Councillor Jim Brown
Councillor Marie McNair
Bailie Denis Agnew

OFFICIALS

David Thomson (Assessor & Electoral Registration Officer)
Robert Nicol (Depute Assessor & Electoral Registration Officer)
Peter Hessett (Clerk)
Stephen West (Treasurer)

MANAGEMENT COMMENTARY

GENERAL SERVICE AIMS AND OBJECTIVES

WHO WE ARE AND WHAT WE DO

Dunbartonshire and Argyll & Bute Valuation Joint Board is an independent local government body which was established by The Valuation Joint Boards (Scotland) Order 1995. We professionally compile and maintain the Valuation Rolls, Council Tax Valuation Lists and Registers of Electors for the Argyll & Bute, East Dunbartonshire and West Dunbartonshire Council areas.

OUR AIMS

Building on our established professionalism, we aim to provide high quality, transparent, effective and responsive services to all of our stakeholders.

COMMITMENTS

Within the constraints of the increasingly tight public finance regime, we are committed to:

- Consulting our stakeholders, and listening and responding to their views;
- Valuing staff and providing them with opportunities to develop and contribute;
- Reacting innovatively to change;
- Encouraging innovation and recognising achievement within the organisation;
- Treating all stakeholders, including staff, in a fair, consistent manner and in accordance with our Equalities requirements;
- Striving for continuous improvement in all aspects of service delivery;
- Ensuring that we are accessible and accountable to stakeholders;
- Pro-actively planning workloads and deploying resources efficiently;
- Using language which is easy to understand; and
- Working with our partners in the Scottish Assessors' Association (SAA) to ensure transparency and Scotland-wide consistency of approach to service delivery.

1.0 INTRODUCTION

This report comprises the Joint Board's Management Commentary and Annual Accounts in relation to the 2018/19 financial year.

The main purpose of this Management Commentary is to inform all users of the accounts and to help them assess how the Joint Board perform their duty to promote the success of the Valuation Joint Board (VJB). This Management Commentary also summarises the functions and activities of the office of the Assessor and Electoral Registration Officer (ERO) over the past year and provides information on the performance levels achieved in carrying out the statutory duties of the organisation.

The requirements governing the format and content of local authorities' annual accounts (under s106 of the Local Government (Scotland) Act 1973 joint boards and committees are classed as local authorities) are contained in The Code of Practice on Local Authority Accounting in the United Kingdom (the "Code").

2018/19 was another busy year for the Assessor and ERO functions and the Board's employees.

During the early part of the financial year the main focus of our Non-Domestic Rating efforts was the disposal of 2017 Revaluation appeals, a process which was carried out in parallel with general maintenance of the Valuation Roll.

Subsequent to the Barclay Review of Non-domestic Rating (NDR), the Scottish Government carried out a public consultation, entitled "Barclay Implementation: A consultation on non-domestic rates reform," from 25th June to 17th September 2018, to seek views on the specific details of how the legislation underpinning several of the Barclay Review recommendations will work in a number of areas.

This culminated in the publication of the Non-Domestic Rates (Scotland) Bill in March 2019, the effects of which will be significant on the Assessor's service. More details on the Barclay Review and Non-Domestic Reform can be found at section 2.1.

In relation to our Council Tax functions, the number of new dwellings added to the Council Tax Lists was up on recent years and levels of proposals received were within the range expected on a year-on-year basis.

The annual electoral register was published on 1st December 2018 and a republication of the registers for West Dunbartonshire was effected at 1st February 2019 reflecting the Council's completion of the statutory Review of UK Parliamentary Polling Districts and Places.

There were no major or national elections during 2018/19 but registers were provided for Community Council and National Park elections. Towards the year-end planning got under way for the European Parliamentary Elections held in May 2019.

Various reforms of the electoral registration function were consulted on during the year with future changes expected to affect the annual electoral canvass, the franchise for Scottish Parliamentary and Local Government elections (including voting rights for some prisoners) and boundary reviews.

The Management Team continues to be the main forum for decision making within the organisation. It met regularly throughout 2018/19 to manage statutory functions and operations, and develop, implement and monitor policies and strategies.

2.0 GENERAL PROGRESS IN RELATION TO STATUTORY FUNCTIONS

2.1 NON-DOMESTIC RATING

Aims

- To carry out a general revaluation, currently every 5 years;
- To timeously compile and maintain the Valuation Roll in accordance with the relevant legislation, to take account of new properties, properties which should no longer be entered in the roll, properties which have been altered, changes to the parties shown in the Roll and other changes arising from statute or other decisions of the Courts;

DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

2.1 NON-DOMESTIC RATING (Cont'd)

- To issue Valuation Notices to the appropriate parties shown in the Valuation Roll;
- To consolidate or improve upon the time taken between the date on which amendments to the Valuation Roll are effective and the date on which the Valuation Notice is issued;
- To publish the annual Valuation Roll, make it available to the rating authority, the Keeper of Records and other interested parties; and
- To deal with appeals by discussion with ratepayers or their agents, or by hearing of appeals before the appropriate valuation appeal bodies.

2017 Revaluation

The 2017 Revaluation came into effect on 1st April 2017 based on a valuation date of 1st April 2015. Arising from that Revaluation 3,568 appeals were submitted against the values of 3,460 subjects, reflecting an appealed Rateable Value (RV) of £252,557,705. The statutory date for disposal of these appeals by Valuation Appeal Committees is 31st December 2020 and this is a priority for staff at this time.

During the 2018/19 financial year 1,526 appeals were disposed of, with 367 (24.0%) resulting in a value adjustment and 1,159 (76.0%) being withdrawn or disposed of without any adjustment. In all, to date, 2,135 (59.8%) Revaluation appeals have been disposed of, with 540 (25.3%) resulting in an adjustment to the value and 1,595 (74.7%) resulting in no adjustment.

Maintenance of the Valuation Roll

Throughout the year, professional and technical staff have been involved in the routine updating of the Valuation Roll to take account of additions, alterations and deletions. 1,048 amendments were made to the Valuation Roll during the year. The reduction in RV during the year arises primarily from appeal adjustments and a merger of mobile telecommunications network subjects.

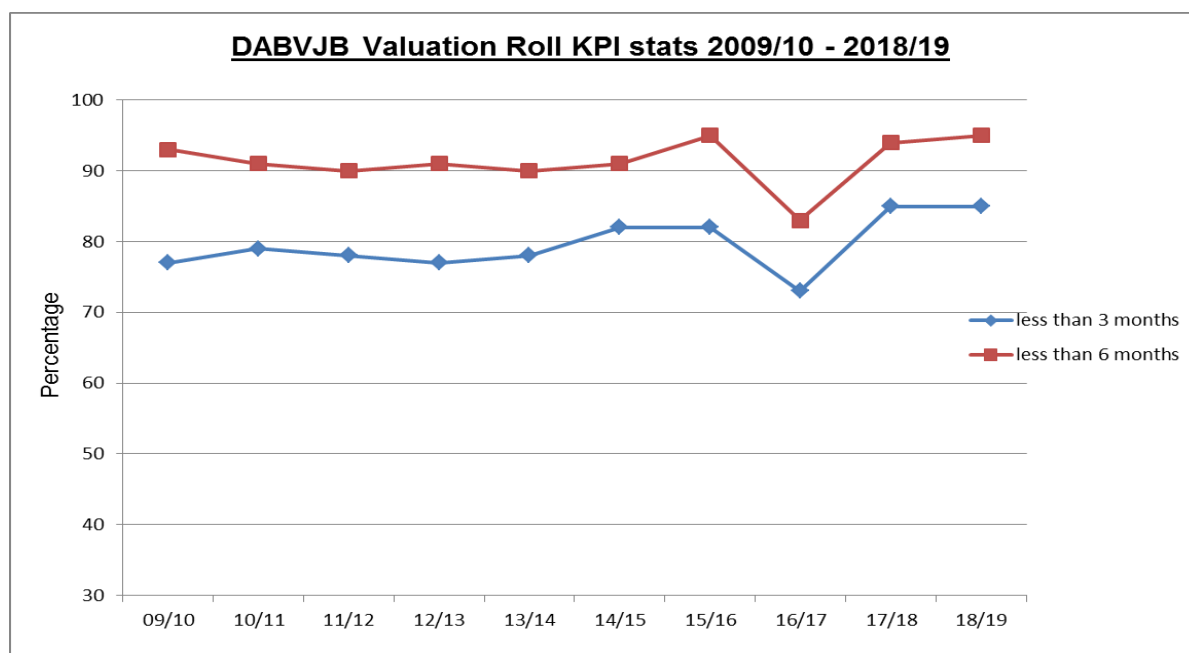
| | |
|---|---------------|
| Total No of entries @ 1st April 2018 | 14,581 |
| Total Rateable Value @ 1st April 2018 | £372.7million |
| Total Number of entries @ 31st March 2019 | 14,972 |
| Total Rateable Value @ 31st March 2019 | £368.7million |

The national Key Performance Indicator in relation to non-domestic valuation has been defined as the time taken from the date on which amendments to the Valuation Roll are effective to the date a Valuation Notice in respect of that change is issued. The following table sets out the targets and actual performance information for 2018/19 compared with the actual figures for 2017/18:

| Period | Actual 2017/18 | Target 2018/19 | Actual 2018/19 | | | |
|------------|----------------|----------------|----------------|---------------------|---------------------|------------|
| | | | Argyll & Bute | West Dunbartonshire | East Dunbartonshire | VJB Area |
| 0-3 months | 85% | 85% | 88% | 67% | 85% | 85% |
| 3-6 months | 9% | 9% | 8% | 19% | 11% | 10% |
| >6 months | 6% | 6% | 4% | 14% | 4% | 5% |

Thus our target was achieved at 'less than 3 months' and marginally surpassed at 'less than 6 months'. Our performance over the period since 2009/10 is shown and this illustrates that our performance in 2018/19 was the best we have recorded since the start of the performance regime.

2.1 NON-DOMESTIC RATING (Cont'd)



The chart further illustrates that our performance in relation to Valuation Roll maintenance has improved since the dip which occurred prior to 2017 Revaluation.

Lands Tribunal – 2005 and 2010 Appeals

Appeals which have been referred to the Lands Tribunal are of a complex nature or are likely to have national implications. 2018/19 saw some limited progress in relation to disposal of these and, at 31 March 2019, 9 appeals remain outstanding from the 2005 cycle (13 at March 2018) and 48 appeals from the 2010 cycle (59 at March 2018).

It is expected that appeals will continue to be disposed of through 2019/20 and that few, if any, of these appeals will require local cases to be presented at the Lands Tribunal.

2017 Running Roll Appeals

During the year 192 new running roll appeals (i.e. not related to the Revaluation) were received and 51 were disposed of leaving 465 outstanding. A significant proportion of these appeals relate to the return of Shooting Rights to the Valuation Roll during 2017/18. These running roll appeals will be disposed of in parallel with revaluation appeals, prior to December 2020.

Barclay Review and Non-Domestic Rating Reform

The 2017 Report of the Barclay Review of Non-domestic Rates (“the Barclay Review Report”) contained 30 individual recommendations on how the rates system in Scotland could be reformed. The Scottish Government accepted the vast majority of the recommendations and added further measures to support investment and economic growth.

Subsequently, the Scottish Government ran a three month public consultation, “Barclay Implementation: A consultation on non-domestic rates reform”, from 25th June to 17th September 2018 to seek views on the specific details of how the legislation underpinning several of the Barclay Review recommendations would work in a number of areas. The Assessor contributed to that consultation both through the SAA and by way of a direct submission.

In February 2019 the Minister for Public Finance and Digital Economy announced the outcome of the consultation exercise and confirmed the provisions that would to be included in the draft Non-Domestic Rates (Scotland) Bill.

2.1 NON-DOMESTIC RATING (Cont'd)

Barclay Review and Non-Domestic Rating Reform (Cont'd)

On 25 March 2019 the Scottish Government introduced the Non-Domestic Rates (Scotland) Bill which contains several of the provisions required to implement Barclay recommendation albeit further secondary legislation will be required to effect much of the detail.

The main changes to the NDR system included in the Bill, which affect the Assessor, are:-

- (a) Revaluations are to be effective every 3 years from 2022;
- (b) The Valuation Roll will be required to mark new and improved properties to assist in the application of the "Business Growth Accelerator";
- (c) Certain properties located in public parks will be entered into the valuation roll for the first time;
- (d) The current appeals system will be replaced by a 2-stage proposals and appeals process;
- (e) New civil penalties are to be introduced for non-provision of information; and
- (f) Assessors will be required to provide ratepayers with certain information on how their Rateable Values have been arrived.

As well as providing more detail on the operation of the above, secondary legislation is expected to include a requirement to check that Self-Catering Units are actually let for 70 days in any year. It is also expected that the Scottish Government will separately require that there is much increased consultation with ratepayer representatives on valuation methods in advance of each Revaluation.

As many of the details of the forthcoming legislation are not yet known it remains difficult to be precise in projecting the specific consequences of the legislation. Notwithstanding this current lack of clarity and detail, it is clear that delivery of 3-yearly Revaluations and the various other miscellaneous changes can only be achieved through significant investment in people and development of ICT systems.

An internal NDR Reform Project Team was established in early 2019 and, during the coming year, it will establish a Project Plan and Risk Register(s) for delivery of 3-yearly Revaluations, appeals system reform and all Barclay recommendations that are taken forward. Reporting to the Management Team, the Project Team will make recommendations in relation to process, operations and ICT development requirements. The Management Team will, however, retain responsibility for all final decisions in relation to ICT procurement and people resources.

2.2 COUNCIL TAX

Aims

- To maintain the Valuation List in accordance with the relevant legislation, to take account of new properties, properties which should no longer be entered in the List, properties which have been altered and sold, and other changes arising from statute or other decisions of the Courts;
- To issue Banding Notices to the appropriate parties;
- To improve upon the time taken between the date that amendments to the Valuation List are effective and the date the Banding Notices are issued;
- To publish the Valuation List, make it available to the billing authority, the Keeper of Records and other interested parties;
- To deal with proposals/appeals by discussion with ratepayers or their agents, or by hearing of appeals before the appropriate valuation appeal courts; and
- To keep property records up to date to take account of alterations.

Maintenance of Valuation List

The year to 31st March 2019 saw 992 additions to the Council Tax List and a net increase in the number of dwellings shown in the Council Tax List as follows:

| | |
|---|---------|
| Total Number of entries @ 1st April 2018 | 144,773 |
| Total Number of entries @ 31st March 2019 | 145,266 |

DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

2.2 COUNCIL TAX (Cont'd)

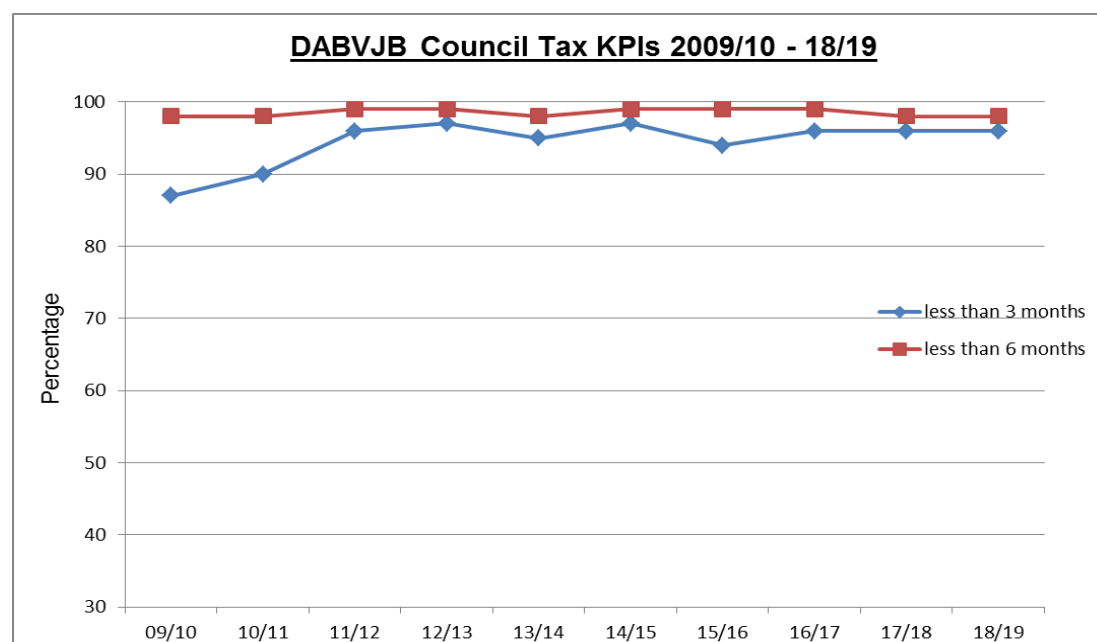
Maintenance of Valuation List (Cont'd)

The national Key Performance Indicator in relation to Council Tax has been defined as the time taken from the date on which additions to the Valuation List are effective to the date a Banding Notice in respect of that new entry is issued. The following table sets out the target and actual performance information for 2018/19 compared with the actual figures for 2017/18:

| Period | Actual 2017/18 | Target 2018/19 | Actual 2018/19 | | | |
|------------|-------------------|-------------------|------------------|------------------------|------------------------|-------------------|
| | | | Argyll & Bute | West Dunbartonshire | East Dunbartonshire | Whole VJB Area |
| 0-3 months | 96% | 96% | 93% | 98% | 98% | 96% |
| 3-6 months | 2% | 2% | 3% | 2% | 1.5% | 2% |
| >6 months | 2% | 2% | 4% | 0% | 0.5% | 2% |

Thus our targets were achieved, despite a number of properties being added to the Council Tax Valuation List retrospectively following a Valuation Appeal Committee decision in an appeal relating to a group of former Self-catering units. The result of that decision being that they were to be treated as dwellings and entered into the list, retrospectively.

The pattern of performance over a longer period is shown below:



Proposals and Appeals

During the year 327 (284 in 2017/18) new proposals to change property Bands were received and 300 were disposed of, leaving 191 outstanding at the end of the year.

2.3 ELECTORAL REGISTRATION

Aims

- To timeously compile and maintain the Electoral Register in accordance with the relevant legislation;
- To deal promptly with all new applications to register under Rolling Registration;
- To deal with all claims and objections relating to the Register;
- To deal with applications for absent votes, collect and securely store Personal Identifiers and maintain relevant Absent Voters lists;
- To produce, and make available for sale, copies of the Electoral Register in accordance with statutory arrangements;
- To encourage Electoral Registration in the three constituent Council areas; and
- To support the efficient running of elections within the Joint Board area.

Electoral Registration and Publication of the Register

2018/19 was the third full year under the new 'Business-as-usual' Individual Electoral Registration (IER) regime. Initially we received £47,818 in funding from the Cabinet Office's Modernising Electoral Registration Programme to cover the additional costs that the IER regime introduced and subsequently we received a further £18,204 following a 'Justification Led Bid' application process.

Our annual canvass commenced on 1 July with the issue of Household Enquiry Forms (HEFs). Changes notified on returned HEFs are used to initiate the issue of an Invitation to Register (ITR) or other relevant documentation. The canvass is thus a multi-stage process for each individual applicant or elector. The Cabinet Office has recognised the over-prescriptive nature of the canvass process since the introduction of IER and are planning to change the process again in 2020 – see below.

The requirement to issue ITRs both during and outwith the annual canvass period removes the distinction between the two processes, thereby making reporting directly on the canvass much more difficult.

Notwithstanding the above, we issued the following HEFs, including reminders, during the canvass period with the majority of the 2nd reminders being issued via a door-to-door canvass as follows:

| Council Area | Initial issue | 1st Reminder | 2nd Reminder | %age Return |
|---------------------|----------------------|--------------------------------|--------------------------------|--------------------|
| Argyll & Bute | 48,528 | 16,998 | 10,479 | 87% |
| East Dunbartonshire | 46,806 | 18,407 | 11,181 | 86% |
| West Dunbartonshire | 45,235 | 22,758 | 16,286 | 73% |
| VJB Total | 140,569 | 58,163 | 37,946 | 82% |

The total response rate of 82% compares well with previous canvass returns.

| Year | Canvass return |
|-------------|-----------------------|
| 2018 | 82% |
| 2017 | 80% |
| 2016 | 81% |
| 2015 | 75% |

Notably, the percentage return of forms at the initial issue stage was up from 51% in 2017 to 59% and this reduces the administration and cost of the remainder of the canvass. The persistently low return rates for West Dunbartonshire, compared to the other two council areas, are a source of concern and West Dunbartonshire Council have completed some analysis of returns at a postcode level to see if there was any pattern or useful information that could help and/or support our decision-making for future canvassing in the West Dunbartonshire Council area.

DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

2.3 ELECTORAL REGISTRATION (Cont'd)

Several methods of making returns are provided to electors and a summary of the returns is shown below:

| Method of Response | 2017 Canvass | | 2018 Canvass | |
|---|----------------------|---------------------|----------------------|---------------------|
| | No of Returns | % age return | No of Returns | % age return |
| Post | 52,425 | 37.43% | 54,347 | 38.66% |
| Electronic (web/phone/SMS) | 42,993 | 30.70% | 45,432 | 32.32% |
| Phone/Email contact | 3,045 | 2.18% | 2,935 | 2.09% |
| Door-to-door canvass | 6,648 | 4.75% | 6,075 | 4.32% |
| Verified as second home/long term empty | 5,615 | 4.01% | 5,231 | 3.72% |
| Returned/Empty/ Other | 619 | 0.44% | 1,308 | 0.93% |
| Total | 111,345 | 79.51% | 115,328 | 82.04% |

Notably, the growth in the use of electronic returns has started to slow and we will look to encourage a more significant channel shift toward these services for future canvasses.

During the canvass period there were 6,912 electors added to the registers for the Joint Board area and 9,501 deletions. This resulted in a total electorate of 219,637 at publication on 1st December split as follows:

| Local Authority | Electorate |
|------------------------|-------------------|
| Argyll & Bute | 67,295 |
| East Dunbartonshire | 67,662 |
| West Dunbartonshire | 84,680 |

The total electorate figure is down on the total at publication in December 2017, a pattern which tends to occur in years where there is no major electoral event.

| Year | No of Electors |
|-------------|-----------------------|
| 2018 | 219,637 |
| 2017 | 222,507 |
| 2016 | 221,078 |
| 2015 | 218,668 |
| 2014 | 223,594 |
| 2013 | 221,453 |
| 2012 | 219,117 |
| 2011 | 217,065 |
| 2010 | 216,433 |
| 2009 | 215,460 |

The full Electoral Register can only be provided for certain limited statutory purposes, while the 'Open Register' (also known as the 'Edited Register') can be sold to anyone for any purpose. At the end of the 2018 canvass the percentage of electors who had opted out was as follows:

| Year | Electors Opted out |
|-------------|---------------------------|
| 2018 | 45.4% |
| 2017 | 42.0% |
| 2016 | 39.3% |
| 2015 | 33.4% |
| 2014 | 26.0% |
| 2013 | 13.5% |
| 2012 | 19.5% |
| 2011 | 21.0% |
| 2010 | 27.2% |
| 2009 | 25.3% |

2.3 ELECTORAL REGISTRATION (Cont'd)

Absent Voters

Generally, the trend in numbers of absent voters on the register over time has tended to be upwards but this trend appears to have been reversed since IER was introduced.

| Year | No of Absent Voters |
|---------------|----------------------------|
| 2018 | 34,110 |
| 2017 | 35,918 |
| 2016 | 37,764 |
| December 2015 | 38,376 |
| February 2015 | 34,525 |
| 2014 | 27,176 |
| 2012 | 29,501 |
| 2011 | 29,076 |
| 2010 | 27,365 |
| 2009 | 24,899 |

Rolling Registration

Rolling Registration is the process of dealing with applications for changes to the Register which take place outwith the canvass period. During 2018/19 there were 12,958 Additions to the register and 12,300 Deletions made through the rolling registration process.

Historically, the annual canvass provided significantly more change to the registers than rolling registration but the above illustrates that is no longer the case.

IER requires a pro-active approach to change throughout the year and we have continued to use sources such as Council Taxpayer records, Education Authority data and house sales information to initiate the issue of ITRs.

Electoral Performance

Our self-assessment is that we are compliant with each of the Electoral Commission's (EC) published performance standards albeit we are continually updating and reviewing how we comply. The EC requests evidence of compliance from a sample of EROs, annually, based on their own assessment of risk, and we were not asked to make such a submission during 2018/19.

Alongside the Performance Standards regime, the EC and the Cabinet Office have developed an extensive suite of reports on registration activity and register accuracy and completeness. Various reports were submitted to these bodies both during the annual canvass and immediately following publication of the registers.

Electoral Events

There were no major or national elections during 2018/19 but registers were provided for Community Council and National Park elections. Towards the year end planning got under way for European Parliamentary Elections to be held in May 2019.

Canvass Reform

A joint policy statement was issued by the UK, Welsh and Scottish Governments on 5 October 2018. The Governments sought views on a new model for future canvasses which will have a data (local and national) matching step at the start of the canvass, and will then allow a mixture of email, telephone and light touch contacts where most appropriate. This will allow for greater discretion for EROs to shape the canvass to activities which best suit their local circumstances. The consultation closed on 30 November 2018 and the VJB Management Team provided input to the Scottish Assessors Association response.

2.3 ELECTORAL REGISTRATION (Cont'd)

Canvass Reform (Cont'd)

The Scottish, Welsh and UK Governments are now working together to amend the legislation and guidance governing the annual canvass by autumn 2019. This timetable is set to allow sufficient time for the redesign, development and testing of Electoral Management Systems, for guidance to be revised and training delivered in time for the revised model to be used for the 2020 autumn canvass.

Miscellaneous Electoral Matters

A Scottish Government Electoral Reform Consultation closed on 29 March 2018 and the consultation analysis report was published on 12 October. Areas where reform is expected include extending the power of the Electoral Management Board for Scotland, extension of the franchise for Scottish Parliament and Local Government elections to everyone resident in Scotland, changes to the process for Local Government Boundary reviews, restrictions to one vote only at local government elections and changes to ballot paper layouts, though a number of these issues are likely to be subject to further consultation.

Separately, the Scottish Government consulted on the possibility of extending the franchise for Scottish Parliamentary and Local Government election to include some prisoners. The ERO contributed to an SAA response to the consultation which closed in March 2019. The SAA response concentrated on the administrative and practical issues arising from the proposals rather than on the principles of prisoner voting. The outcome of the consultation is, as yet, unknown.

3.0 GENERAL PROGRESS IN RELATION TO OTHER MATTERS

3.1 INFORMATION AND COMMUNICATIONS TECHNOLOGY

IT and Computer Provision

The Valuation Joint Board's IT Strategy, provides direction and focus for the Joint Board as technology advances and the requirement for changes in processes continues. The strategy:

- Supports the day-to-day business of the Board;
- Assists in the delivery of a high quality service;
- Identifies the competencies required for ICT support and development; and
- Helps maintain partnerships with stakeholders.

Computers and IT systems continue to be maintained and upgraded as required to meet operational needs and in accordance with the recommendations from West Dunbartonshire Council's ICT Service. During the year we installed 2 PCs and 9 laptops to replace obsolete devices.

A review of the Board's network infrastructure and business continuity arrangements was commenced in partnership with West Dunbartonshire Council and this will conclude during 2019/20.

Our Electoral Management System was upgraded several times throughout the year to provide functionality improvements and ensure continued compliance with requirements.

A new online customer satisfaction system which was developed to replace existing procedures was implemented from April 2018 and, although the web interface was fully functional, the attempt to drive service users on-line was not successful. We therefore returned to sampling recent service users and invited them to make submissions, following which we saw an upturn in responses both in paper and on-line. A new complaints recording system was also developed and implemented.

In conjunction with West Dunbartonshire Council our IT team have also been involved in the identification of a suitable Geographic Information System (GIS) replacement.

3.1 INFORMATION AND COMMUNICATIONS TECHNOLOGY (Cont'd)

Scottish Assessors Association Web Site

Throughout the year, staff continued to actively participate in the Project's Management Committee, Project Team and Working Group to enhance the SAA web portal (www.saa.gov.uk). This provides single point access to Valuation Roll, Council Tax List and Electoral Registration information on an all-Scotland basis.

Through publication of the SAA Issues Log, Contact List and Barclay Action Plan, the site has been instrumental in helping to deliver the improved transparency required by the Barclay Review. It has also been used for the first time as the vehicle for stakeholder consultations.

The major piece of work for the project during 2018/19, however, was the planning for, and early stages of migration of, the sites to a new database and content management system (CMS). These changes should permit more options and flexibility when procuring hosting, support and development contracts in the future.

3.2 BEST VALUE

Key Performance Indicators and Public Performance Reporting

Performance in respect of Valuation Roll and Council Tax Key Performance Indicators is reported above. Our 2017/18 Public Performance Report was published during 2018/19 on our web site (www.saa.gov.uk/dab-vjb/).

Performance Management and Planning

The Management Team continues to be the main forum for planning and management of performance. In accordance with our Performance and Management Planning process, the following improvement actions were taken, or were ongoing, during 2018/19:

- A revised Counter Fraud and Corruption Strategy was approved by Joint Board and implemented along with the introduction of a new Business Irregularities Procedures specific to the Valuation Joint Board;
- A new Data Protection Policy was approved and implemented, along with associated Data Audit, Data Breach procedures, a Subject Access Request procedure and a Privacy Impact Assessment process. Contracts, including those with data processors, have been reviewed. A Data Protection Officer was appointed and appropriately trained. New Privacy Notices were implemented across all areas of function including internal personnel data. This all resulted in a positive report being issued following an Internal Audit of Data Protection and Freedom of Information procedures;
- An annual self-assessment against the CIPFA/Solace "Delivering Good Governance in Local Government: Framework" was carried out with the resultant Action Plan approved by Joint Board;
- A Communications Strategy was developed and approved to enhance openness and stakeholder engagement;
- Written definitions of the roles of Clerk and Treasurer were developed and approved by the Joint Board;
- An assessment of the risks associated with the UK's withdrawal from the EU was completed allowing risks or uncertainties arising from the planned withdrawal to be considered and managed/mitigated as required;
- The Risk Management Strategy was revised and approved by Joint Board;
- Several Personnel/HR-related Policies, including a revised Code of Conduct for officials, were updated and approved by the Board during 2018/19, ensuring alignment with current best practice and the support structures of West Dunbartonshire Council; and
- The Financial Strategy, which covers a 10 year period and presents a number of scenarios, was updated and presented to the Board.

The above represent real commitments to the Best Value regime and to continuous improvement. The current financial restrictions have imparted an efficiency driven ethos in many of our operations, but we will continue to strive to provide improving services.

3.2 BEST VALUE (Cont'd)

Audit

During the year Internal Audit completed a review of, and reported on, our compliance with Freedom of Information and Data Protection Legislation.

The report concluded that the systems examined in relation to compliance with Freedom of Information and Data Protection legislation were working effectively. A number of opportunities to strengthen internal controls were identified, however, and the agreed actions have either been effected or will be in the early part of the 2019/20 financial year.

The finances of the Joint Board for 2018/19 were audited by Audit Scotland and the report has concluded that the financial statements of the Joint Board were properly prepared and give a true and fair view. Expenditure and income were presented in accordance with applicable enactments and guidance. An unqualified independent auditor's report was issued and can be found on pages 52-55 of the annual accounts.

An Audit Plan was completed which identified the main areas where they will direct scrutiny, as follows:

- Ensure that controls are in place to ensure that management cannot override financial controls;
- Ensure that systems are in place to prevent and detect fraud in relation to expenditure;
- Investigate and evaluate the risk of material misstatement in the financial statements;
- A Review of the financial sustainability of the Joint Board; and
- Evaluate the risk of failure to deliver on Barclay requirements due to insufficient resources

Customer Satisfaction

For some years, users of the Joint Board's services were randomly sampled and issued with questionnaires to seek their perception of the service provided to them. In April 2018 we introduced a new web-based survey form and added a short invitation to provide feedback on many of our outgoing items of correspondence. The aims of this change were to:

- (a) streamline the administration of the system;
- (b) encourage a 'channel shift' to on-line returns, thereby enabling automated analysis and reporting; and
- (c) increase the number of service users providing us with feedback.

Over the first 6 months of the year, however, the returns were much reduced on previous years so in October we reverted to sampling recent users and issuing them with a questionnaire. Total returns for the year were, however, down on previous years.

A summary of the results for the year is provided on page 14. These show that:

- By far the majority of our stakeholders (94%) find us professional, courteous and helpful;
- 60% of queries or transactions are completed at the first point of contact and only 7% of matters are not concluded to the satisfaction of the stakeholder;
- Most users of Joint Board services (93%) are satisfied with the information and/or advice provided to them; and
- Very high satisfaction levels are being achieved on a year-to-year basis.

3.2 BEST VALUE (Cont'd)

Customer Satisfaction (Cont'd)

| | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 |
|--|---------|---------|---------|---------|---------|---------|---------|
| Survey Return Rate | 28% | 27% | 21% | 18% | 19% | 21% | N/A |
| Was the person with whom you communicated professional, courteous and helpful? | 97% | 98% | 99% | 97% | 97% | 99% | 94% |
| Was the matter brought to a satisfactory conclusion immediately? | 58% | 55% | 67% | 62% | 68% | 62% | 60% |
| Was the matter brought to a satisfactory conclusion? | 98% | 96% | 97% | 96% | 97% | 97% | 93% |
| Are you satisfied with the quality of the information or advice given to you? | 96% | 96% | 97% | 94% | 97% | 96% | 93% |

No Customer Satisfaction forms were requested in alternative languages, Braille or other formats. A breakdown of the returns which indicated the relevant protected characteristics is shown below:

| Characteristic | Category | %age | Characteristic | Category | %age | Characteristic | Category | %age |
|--------------------|--------------|------|----------------|----------|------|----------------|---------------|------|
| Race | White | 98% | Age | 16-21 | 3% | Marital status | Married | 57% |
| | Non-white | 2% | | 22-30 | 7% | | Never Married | 13% |
| Gender | Male | 48% | | 31-40 | 7% | | Other | 30% |
| | Female | 52% | | 41-50 | 17% | | | |
| Disability | Disabled | 16% | | 51-60 | 20% | | | |
| | Able-bodied | 84% | | 61-65 | 12% | | | |
| Sexual orientation | Heterosexual | 97% | | 66-70 | 16% | | | |
| | Other | 3% | | 70+ | 19% | | | |

Sample sizes within the various equalities groups were too small to draw firm conclusions but the results are monitored by management with any apparent variations within any of the groups with protected characteristics being followed up to ensure that we are carrying out our functions in a fair and equitable manner.

Complaints Procedure

The Joint Board operates a Complaints Procedure which is in line with the Public Sector Ombudsman's Model Complaints Handling Procedure.

There were a total of 18 Complaints received during 2018/19, compared to 14 in 2016/17 and 15 in 2017/18, with 17 relating to Electoral Registration. 9 complaints were resolved at the Frontline Resolution stage with 9 being escalated to the Investigation stage. One Investigation relating to the Assessor's actions and handling of personal data was carried out by the Legal Services Department of West Dunbartonshire Council. No complaints were referred to the Ombudsman.

The main area of complaint within Electoral Registration was around the annual canvass, a process that is largely prescribed in legislation, and the total number of complaints has to be viewed in the context of the issue of over 230,000 canvass forms.

DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

3.2 BEST VALUE (Cont'd)

Financial Performance

Comprehensive Income and Expenditure Statement

This account covers the day-to-day operational expenditure of the Joint Board and is shown on page 31 of the Annual Accounts. On an accounting basis the deficit on the provision of service for the financial year reported in the Comprehensive Income and Expenditure Statement is £0.756m. However this takes account of adjustments between the accounting and funding basis of (£0.757m) and the in-year surplus of £0.001m as shown in the table below:

| | Comprehensive Income & Expenditure Statement | Statutory Adjustments | Actual | Budget | Variance |
|---------------------------------------|---|----------------------------------|----------------|----------------|-----------------|
| | £000 | £000 | £000 | £000 | £000 |
| Employee Costs | 2,792 | (651) | 2,141 | 2,200 | (59) |
| Property Costs | 100 | 0 | 100 | 126 | (26) |
| Transport Costs | 41 | 0 | 41 | 45 | (4) |
| Supplies & Services | 242 | 0 | 242 | 291 | (49) |
| Payments to Other Bodies | 35 | 0 | 35 | 45 | (10) |
| Support Services | 125 | 0 | 125 | 125 | 0 |
| Depreciation & Amortisation | 13 | (13) | 0 | 0 | 0 |
| Other Costs (Interest; Pensions) | 94 | (93) | 1 | 0 | 1 |
| Total Expenditure | 3,442 | (757) | 2,685 | 2,832 | (147) |
| Requisition Income | (2,611) | 0 | (2,611) | (2,611) | 0 |
| Grant Income | (66) | 0 | (66) | (60) | (6) |
| Rental Income | (2) | 0 | (2) | (2) | 0 |
| Sales, Fees & Charges | (7) | 0 | (7) | (3) | (4) |
| Total Income | (2,686) | 0 | (2,686) | (2,676) | (10) |
| (Surplus)/Deficit for the year | 756 | (757) | (1) | 156 | (157) |

The main budget variances are shown below:

| Spend Area | Variance | Comments |
|---------------------|-----------------|---|
| | £000 | |
| Employee | (59) | This underspend is mainly due to non-filling of vacancies. |
| Property | (26) | This underspend is mainly due to lower than anticipated expenditure on rates, energy and accommodation costs. |
| Supplies & Services | (49) | This underspend is across a number of headings (such as machine lease, computer licences, telephones, printing & stationery). |

3.2 BEST VALUE (Cont'd)

Balance Sheet

The balance sheet is shown on page 34 and features an assessed pension fund liability of £5.217m based on the valuation of the fund at 31 March 2019. This results in the Board's Balance Sheet showing a net liabilities position. Further information on the pension fund is provided in note 4 on pages 44 to 47 and the valuation states that assets held at the valuation date were sufficient to cover only 81% of the accrued liabilities. It is considered appropriate that the Annual Accounts should follow a 'going concern' basis of accounting. Statutory arrangements with the constituent local authorities mean that the financial position of the Board remains assured.

The pension scheme net liability has increased by £2.077m as advised by the appointed actuaries, and this is mainly as a result of the movement in the discount rate. The appointed actuaries remain of the view that the asset holdings of Strathclyde Pension Scheme and the contributions from employees and employers together with planned increases in employer' contributions provide sufficient security and income to meet future pension liabilities.

General Reserves

At their Board meeting on the 16 November 2012, the Board approved a Balance and Reserves Policy. The Board's Prudential Reserves Policy is to retain a prudential target of 2% of net expenditure i.e. constituent authority requisition level (18/19 £52,223) or £100,000, whichever is higher.

Funds held in excess of the prudential target can be spent or earmarked at the discretion of Board Members on behalf of the constituent authorities.

As at 31 March 2019 the Board held total usable reserves of £0.577m (of which £0.025m relates to unapplied capital reserves) with the remaining balance comprising revenue reserves of £0.552m. A proportion of this is identified as an earmarked balance (£0.162m) to balance the 2019/20 budget and once this has been accounted for leaves £0.390m of general reserves for future use (including £100,000 prudential reserve above).

The Joint Board recognises the difficult financial climate facing public services and has continued to seek efficiencies where possible. The level of requisition made by the Board for 2018/19 remained the same as 2017/18. Given the forecast reduction in funding for local government into the future it is anticipated that levels of funding may be challenging going forward into 2019/20 and beyond and management have commenced planning for this to ensure ongoing service delivery reflecting the increasing workload to the Board.

Provisions and Contingencies

The Joint Board is not aware of any eventualities which may have a material effect on the financial position of the Joint Board, and has made no provisions for such eventualities.

Group Annual Accounts

The Joint Board has been determined to have an "associate" relationship with each of its constituent authorities and, as such, the Joint Board's results have been consolidated into each authority's group income and expenditure Annual Accounts.

3.2 BEST VALUE (Cont'd)

Risk Management

The Joint Board's Risk Management Strategy and Procedures were revised and approved by the Joint Board in June 2018. Risk Registers and Action Plan are revised annually. Inclusions in the Board Risk Register during the year were:

- The potential for the Joint Board or its statutory officials to fail to meet their respective statutory duties;
- The financial and service performance risks associated with static or reduced funding levels, particularly in light of new and increasing duties and responsibilities;
- The risks arising from the reform of Non-Domestic Rates arising from the Non-Domestic Rates (Scotland) Bill and other 'Barclay' requirements;
- The dependency of the Joint Board on ICT for delivery of its statutory functions and service delivery; and
- Planned changes to the Electoral Registration system including canvass reform, the possible extension of the right of overseas electors, the introduction of voting rights for (some) prisoners and the extension of the franchise for some polls to all residents of Scotland.

All risks have planned actions to mitigate or minimise the risk and progress against these actions is regularly monitored at Management Team meetings.

Separately, and in line with recommendations from Audit Scotland, an assessment of the risk to the Joint Board of the UK's proposed withdrawal from the European Union as originally scheduled on 29 March 2019, was carried out in December 2018. This allowed the Management Team to conclude that the risks to the Joint Board were generally low and could be managed or mitigated. The subsequent extensions to the UK's membership did introduce the need for the UK to take part in elections to the European Parliament on 23 May 2019. As this was an unplanned event, it did constitute an additional burden on our registration service but the resources and training required for any electoral event are in place and the risks should be manageable, albeit at a marginal additional cost.

3.3 EQUALITIES

The Joint Board's Management Team is committed to ensuring equality in all that it does.

Arising from the Specific Duties which were established by the Scottish Government subsequent to The Equality Act 2010, the Joint Board established that its stated Equality 'Outcomes' are as follows:

- We are seen as an inclusive equal opportunities employer where all staff feel valued and respected; and
- Our Services meet the needs of, and are accessible to all members of our community and our staff treat all service users, clients and colleagues with dignity and respect.

The number of staff who identified themselves as having a disability has increased significantly since the base line survey, thereby indicating progress against the first stated Outcome.

As indicated above, our Customer Satisfaction results are inconclusive in respect of service provision across the protected characteristics in 2018/19. Looking at results over a longer period, however, indicates that we are providing fair and equitable services to all parts of our communities.

3.4 STAFFING MATTERS

Development and Training

The Board's Staff Development and Training procedures provide for a structured and strategic provision of training and development opportunities for all members of staff. Each employee reviews their training needs with their line manager on an annual basis and the resultant Training and Development Plan is used to inform the provision of training throughout the year.

In 2018/19 training was provided through externally sourced courses, in-house training events and e-learning facilities in a range of subjects including various aspects of Electoral Registration, process management ("Lean 6-Sigma"), Attendance Management, preparing for an electoral event (including security of the poll) and data protection. A 'Core' training programme has been established and this requires staff to complete refresher training in various topics.

3.4 STAFFING MATTERS (Cont'd)

Formal training is ongoing for four Trainee Valuers, two of whom are undergoing their Assessment of Professional Competence. One member of staff is currently undertaking the final year of a distance learning course for the Association of Electoral Administrators 'Certificate' level qualification.

Personnel Policies

During the year, and in line with the approach in West Dunbartonshire Council, the Board also approved the following for implementation:

- (a) A revised Attendance Management Policy and Procedure;
- (b) A new Maternity Leave Scheme;
- (c) A new Special Leave Scheme;
- (d) A new Carers Leave Scheme;
- (e) A revised Bereavement Leave Scheme;
- (f) A revised Alcohol and Substance Misuse Policy;
- (g) A revised Code of Conduct for Employees;
- (h) A revised Disciplinary Policy and Procedure; and
- (i) A new Domestic Violence and Abuse Policy.

Voluntary Early Retirement and Voluntary Severance

In June 2016, and in recognition of the funding gaps being projected in the Board's indicative budgets, the Joint Board agreed that the Assessor should consider offering staff Voluntary Early Retirement/Severance (VER/S) on similar terms to those prevailing in West Dunbartonshire Council.

In August 2018 four members of staff expressed an interest in leaving the Joint Board's service through VER. The criteria for release were not met in any of these cases, though one staff member did proceed to retire without accessing the VER scheme.

3.5 FREEDOM OF INFORMATION

The Joint Board's 'Guide to Information' was updated and maintained as required with relevant documents available from <https://www.saa.gov.uk/dab-vjb/download/2239/>

A 'business as usual' approach has been taken to the majority of requests for information received, but in the calendar year to December 2018, 58 requests which specifically referred to the Freedom of Information Act were received. This compares to 21 requests in 2017.

Three requests received related to Electoral Registration, a function which is not currently covered under the FoI legislation. However, in the spirit of applying best practice, these requests were responded to as if they had been covered by the legislation, with one request being answered in full and two requests were refused. There were 49 requests relating to Non-Domestic Rating, 47 of which were made by the same company or individuals employed by the same company. Much of the information requested was information that would have been made available during the appeals process. Two requests related to our Council Tax functions and 4 were of a general nature or crossed over our statutory functions.

All requests were answered within the statutory timescales with the average response time being just over 16 days. There were no requests for Reviews. Dealing with requests took over 45 hours of staff time and no fees were charged.

We now provide quarterly reports on requests received and their outcomes to the Information Commissioner.

3.6 DATA PROTECTION

Both the Joint Board and the Assessor & ERO have always had firm commitments to the proper storage and secure processing of personal data but the additional requirements of the new General Data Protection Regulation (GDPR), which came into effect in May 2018, meant that all processes, procedures and practices relating to personal data had to be reviewed.

3.6 DATA PROTECTION (Cont'd)

To meet the new requirements of the GDPR and the Data Protection Act (2018), a new Data Protection Policy was approved by the Joint Board and implemented along with the associated Data Audit, Data Breach procedures, Subject Access Request procedure and Privacy Impact Assessment process. Contracts, including those held with data processors, were reviewed. A Data Protection Officer was appointed and all Privacy Notices were reviewed.

As previously agreed with the internal auditor, an audit of our compliance was carried out. The scope of the audit was expanded to include our compliance with Freedom of Information legislation. The positive report received following the audit is referred to above.

3.7 RECORDS MANAGEMENT

In February 2016, and in accordance with the requirements of The Public Records (Scotland) Act 2011, the Keeper of the Records approved the Joint Board's Records Management Plan (RMP) and agreed an improvement action plan which the Board continued to implement throughout 2018/19.

Under sections 5(1) & (2) of the Act the Keeper may only require a review of an authority's agreed RMP five years after the date the plan was agreed. The Keeper has, however, developed a voluntary Progress Update Review (PUR) mechanism to allow authorities to demonstrate progress towards completion of any action plan and to receive constructive advice on ongoing developments.

A PUR submission, which took the form of a self-assessment against each of the elements in the RMP, was made to the Keeper's Assessment Team in October 2018. In December 2018 the Keeper approved the Joint Board's PUR and noted that the Board continues to take its records management obligations seriously and that significant progress had been made in relation to the action plan.

3.8 PARTNERSHIPS

The Valuation Joint Board is actively involved in several partnerships with one of the most significant of these being the senior staff's membership of the Scottish Assessors' Association. The Association is constituted to facilitate a consistency of approach in the administration of the Non-Domestic Rating Valuation, Council Tax and Electoral Registration Services across Scotland. It works through a series of Committees and associated Working Groups, which report to regular plenary sessions that are attended by representatives from all Assessors' offices.

Valuation Joint Board staff are represented in the Association in all of its Category Committees, in working groups and as authors of Practice Notes which are used to implement all-Scotland approaches to the valuation of various subject types. The co-operation and co-ordination of the Association is of critical importance in the completion, and defence, of a Revaluation.

During 2018/19 the Association made a submission to the Scottish Government's "Barclay Implementation: A consultation on non-domestic rates reform" and subsequently provided information and advice during the drafting of the Non-Domestic Rates (Scotland) Bill. It will also be used as a consultative body as the Bill makes its way through the various Parliamentary Committee stages in 2019/20. A project manager has been established to lead on the role the SAA might take in successful delivery of NDR reform and the Barclay requirements. Consequent to the Barclay Review recommendations, the SAA published its first Annual Report on the 2017/18 year in June 2018.

The SAA also collated a response to the Scottish Government's Consultation Paper on Prisoner Voting.

The SAA continued to liaise with the Valuation Office Agency (VOA) in England and Wales, the Northern Ireland Land & Property Services Agency (NILPS) and the Republic of Ireland Valuation Office (IVO) in matters of common interest.

The planning for, and provision of, Electoral Registration services is assisted by guidance received from the Electoral Commission and the Electoral Management Board of Scotland and by representation within the Association of Electoral Administrators. The Cabinet Office has also become an important stakeholder in respect of further modernisation of Electoral Registration services.

The Valuation Joint Board obtains all of its 'back-office' functions including human resources, legal support, ICT support and financial services from West Dunbartonshire Council under a Service Level Agreement. Thanks are due to all of the West Dunbartonshire Council officials who support the Joint Board.

4.0 CONCLUSION

The major focus on the NDR valuation side of our operations 2018/19 was disposal of Revaluation appeals. Good progress was made in this regard, particularly in the early months of the year. Progress later in the year was hindered somewhat by the dependency on others in the Scottish Assessors Association taking 'lead cases' in a variety of property categories. Notwithstanding that, by the end of March 2019, 2,135 appeals, representing 59.8% of those submitted, had been disposed of. This compares exactly with progress at the similar time following the 2010 Revaluation.

Despite the focus on appeal disposal, our performance in relation to maintenance of both the Valuation Roll and Council Tax Lists was maintained at high levels.

The IER system is now well established. The annual canvass return was up on last year, albeit the lower rates of return in the West Dunbartonshire area continue to be a source of concern, and the register was published on 1st December as is required by statute.

There was a vacancy on the Board at the start of the year but I am pleased to report that West Dunbartonshire Council nominated Bailie Denis Agnew to complete our complement of Members. Our congratulations go to Cllr Donald MacMillan, BEM on the award of the Medal of the Order of the British Empire to him for his services to local government in the 2019 New Year Honours List.

Thanks are due to all staff and management for their endeavour, effort and co-operation throughout the year. Similarly, thanks are due to the Joint Board, and in particular, the Convenor and Vice Convenor for their continued support.

Councillor Richard Trail
Convenor of the Board
Date: 25 September 2019

David Thomson
Assessor and Electrical Registration Officer
Date: 25 September 2019

Stephen West
Treasurer
Date: 25 September 2019

REMUNERATION REPORT

Introduction

The remuneration report has been prepared in accordance with the Local Authority Accounts (Scotland) Regulations 2014. These Regulations require various disclosures about the remuneration and pension benefits of the Board and senior employees. All information disclosed in the tables 1-5 of the Remuneration Report will be audited by Audit Scotland. The other sections have also been reviewed by Audit Scotland to ensure that they are consistent with the Financial Statements.

Arrangements for Remuneration

No Councillors serving on the board (including the Convenor and Vice-Convenor) receive any form of remuneration in respect of these roles

The Board sets the remuneration levels for senior officers. Its role is to ensure the application and implementation of fair and equitable systems for pay and for performance management within the guidelines of and as determined by the Scottish Ministers and the Scottish Government. In reaching its decisions, the Board has regarded the need to recruit, retain and motivate suitably able and qualified people to exercise their different responsibilities.

The remuneration of senior employees is set by reference to national arrangements. The Board does not pay bonuses or performance related pay. Chief Officers receive business mileage and subsistence allowances in accordance with amounts either agreed nationally by the Scottish Joint National Council (SJNC) or as approved locally by the Board. Chief Officers are eligible to join the Local Government Pension Scheme (LGPS). The scheme is described in the Pension Benefits section.

Remuneration

The term *remuneration* means as defined by the Regulations noted above, gross salary, fees and bonuses, allowances and expenses, and costs in relation to Early Retiral and Voluntary Severance. It excludes pension contributions paid by the Board. Pension contributions made to a person's pension are disclosed as part of the pension benefits disclosure.

Table 1: Remuneration of Senior Employees

| Name | Position at 31/03/19 | Year ended 31 March 2019 | | 2017/18 |
|---------------|--|---|-------------------------------|--|
| | | Salary, Fees & Allowances £000 | Total Remuneration £000 | Restated Total Remuneration £000 |
| David Thomson | Assessor & Electoral Registration Officer | 99 | 99 | 96 |
| Robert Nicol | Depute Assessor & ERO | 79 | 79 | 77 |

Notes

- The term *senior employee* means any Board employee:
 - Who has responsibility for the management of the board to the extent that the person has the power to direct or control the major activities of the board (including activities involving the expenditure of money), during the year to which the Report relates, whether solely or collectively with other persons; or
 - Who holds a post that is politically restricted by reason of section 2(1) (a), (b) or (c) of Local Government and Housing Act 1989 (4); or
 - Whose annual remuneration, including any remuneration from a local authority subsidiary body, is £150,000 or more.

REMUNERATION REPORT (Cont'd)

Remuneration of Employees receiving more than £50,000

The Board's employees receiving more than £50,000 remuneration for the year were paid the following amounts. In accordance with the disclosure requirement of the Regulations, the information in the table shows the number of employees in bands of £5,000. This information includes the senior employees who are subject to the fuller disclosure requirements in the tables above.

| £ | Number of Employees | |
|------------------|----------------------------|-------------------------------|
| | 2018/2019 | Restated 2017/2018 |
| 55,000 to 59,999 | 2 | 2 |
| 75,000 to 79,999 | 1 | 1 |
| 95,000 to 99,999 | 1 | 1 |
| Total | 4 | 4 |

Pension Benefits

The LGPS 2015 is a career average pension scheme. This means that pension benefits from 01/04/2015 are based on pensionable pay with inflation added. Pension is accrued at a rate of 1/49 of pensionable pay for each scheme year. Pension benefits can be accessed from age 60 but are reduced if taken earlier than Normal pension Age (State Pension Age). Pension benefits accrued before 1 April 2015 are protected and are based on final pay on retiring.

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. Table 3 provides information on these tiered contribution rates.

Table 3: Contribution Rate

| The tiers and members contributions rates for 2018/19 whole time pay | Contribution rate 2018/19 |
|---|--------------------------------------|
| On earnings up to and including £21,300 | 5.50% |
| On earnings above £21,300 and up to £26,100 | 7.25% |
| On earnings above £26,100 and up to £35,700 | 8.25% |
| On earnings above £35,700 and up to £47,600 | 9.50% |
| On earnings above £47,600 | 12.00% |

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 1/49th of pay from 1 April 2015. Prior to this the accrual rate guarantees a pension based on 1/60th of final pensionable salary and years of pensionable service. Prior to 2009 the accrual rate guaranteed a pension based on 1/80th and a lump sum based on 3/80th of final pensionable salary and years of pensionable service.

The value of the accrued 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.

REMUNERATION REPORT (Cont'd)

Pension Benefits of Senior Employees

Table 4 : In-year contributions and accrued benefits

| Name | For year to 31 March 2019 | | | For year to 31 March 2018 | | |
|---------------|---------------------------|--------------------------|----------|---------------------------|--------------------------|----------|
| | In-year | Accrued pension benefits | | In-year | Accrued pension benefits | |
| | contribution | Pension | Lump Sum | contribution | Pension | Lump Sum |
| | £000 | £000 | £000 | £000 | £000 | £000 |
| David Thomson | 21 | 46 | 86 | 19 | 44 | 85 |
| Robert Nicol | 17 | 29 | 45 | 15 | 27 | 44 |

1. The LGPS is a career average pension scheme. This means that pension benefits from 1 April 2015 are based on pensionable pay with inflation added. Pension is accrued at a rate of 1/49 of pensionable pay for each scheme year. Pension benefits can be accessed from age 60 but are reduced if taken earlier than Normal Pension Age (State Pension Age). Pension benefits accrued before 1 April 2015 are protected and are based on final pay on retiring.
2. The lump sum, which is automatically paid when the person retires for service up to 31 March 2009, is three times his or her annual pension and is tax-free. There is no automatic lump sum for service after 31 March 2009. Members may opt to give up (commute) pension for lump sum up to the limit set by the Finance Act 2004.
3. The value of the accrued benefits in the above tables has been calculated on the basis of the age at which the person will first become entitled to receive a full 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 age for members of the LGPS is 65.
4. The pension figures shown relate to the benefits that the person has accrued as consequence of their total local government' service, and not just their current appointment.
5. The Local Government (Discretionary Payments and Injury Benefits) (Scotland) Regulations 1998 make provision for authorities to make discretionary payments to local government employees to pay compensation for premature retirement. There were no discretionary payments made to senior employees during the year.

Exit Packages

There were no exit packages during financial years 2018/19 and 2017/18.

DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

REMUNERATION REPORT (Cont'd)

Trade Union Facility Time

Facility Time generates benefits for employees, managers and the wider community from effective joint working between union representatives and employers.

Details of the Facility Time within Dunbartonshire and Argyll & Bute Valuation Joint Board during the year to 31 March 2019 are shown in the table below.

Table 5: Trade Union

| | |
|--|-----------------------------------|
| Trade Union Officials | Trade Union Representative |
| 0 | 1 |
| Percentage of Time Spent on Facility Time | |
| Percentage | Employees |
| Less <1 | 1 |
| 1 – 50% | 0 |
| 51% - 99% | 0 |
| 100% | 0 |
| Total cost of facility time | |
| £100 | |
| Total pay bill | |
| £2,099,151 | |
| Percentage of Pay Bill Spent on Facility Time | |
| 0.005% | |
| Paid TU Activities | |
| 100% | |

Councillor Richard Trail
 Convenor of the Board
 Date: 25 September 2019

David Thomson
 Assessor and Electrical Registration Officer
 Date: 25 September 2019

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019**

STATEMENT OF RESPONSIBILITIES

The Boards Responsibilities:

The Board is required to:

- make arrangements for the proper administration of its financial affairs and to secure that the proper officer of the Board has responsibility for the administration of those affairs. In this 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 is compatible with that legislation, in accordance with proper accounting practices (section 12 of the Local Government in Scotland Act 2003); and
- approve the Annual Accounts for signature.

I confirm that the Annual Accounts were approved for signature by the Board at its meeting on 25 September 2019.

Signed on behalf of Dunbartonshire and Argyll & Bute Valuation Joint Board

Councillor Richard Tail
Convenor of the Board
Date: 25 September 2019

The Treasurer's Responsibilities:

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

In preparing the 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; and
- complied with the Code of Practice on Local Authority Accounting in the United Kingdom.

The Treasurer has also:

- kept adequate accounting records which were up to date; and
- 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 Board at the reporting date and the transactions of Board for the year ended 31 March 2019.

Stephen West
Treasurer
Date: 25 September 2019

ANNUAL GOVERNANCE STATEMENT

The Annual Governance Statement is included within the Annual Accounts to assure stakeholders on how the Board directs and controls its functions and how it relates to communities which will enhance transparency and scrutiny of the Board's activities.

Scope of Responsibility

Dunbartonshire and Argyll & Bute Valuation Joint Board is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Board also has a duty to make arrangements to secure continuous improvement in the way its functions are carried out.

In discharging this overall responsibility, elected members and senior officers are responsible for implementing effective arrangements for governing the Board's affairs and facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

Governance Framework

The Board has approved and adopted a Code of Corporate Governance (the Code), and also relies on the governance arrangements of West Dunbartonshire Council which are consistent with the principles of the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) Framework.

The above code explains how Dunbartonshire and Argyll & Bute Valuation Joint Board aims to deliver good governance and reviews the effectiveness of these arrangements on an annual basis.

Delivering Good Governance in Local Government Framework, published by CIPFA in association with Solace in 2007, set the standard for local authority governance in the UK. This was reviewed and replacement framework was issued in 2016: Delivering Good Governance in Local Government: Framework (CIPFA/Solace, 2016) to apply to annual governance statements prepared for the financial year 2016/17 onwards.

While the Delivering Good Governance in Local Government Framework is written in a local authority context, most of the principles are applicable to the Joint Board and the recommendation of our external auditors was that the Joint Board should include this process as part of its overall approach to governance.

In accordance with a Code of Good Governance which was approved by the Joint Board in March 2018, a self-assessment against the above CIPFA framework was completed and an Action Plan agreed. The Management Team regularly monitor progress against the actions in the Action Plan. The Local Code of Good Governance and the Action Plan can be found at:

https://www.saa.gov.uk/dab-vjb/wp-content/uploads/sites/5/dlm_uploads/2018/03/2018-03-02-Document-Pack-VJB-as-circulated.pdf

The Board has also put in place a system of internal financial control designed to manage risk to a reasonable level. Internal controls cannot eliminate risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal financial control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the board's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

ANNUAL GOVERNANCE STATEMENT (Cont'd)

The governance framework comprises the systems and processes, and culture and values, by which the Board is directed and controlled. It also describes the way it engages with, accounts to its stakeholders.

Within the overall control arrangements the system of internal 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 overall control arrangements include:

- comprehensive budgeting systems;
- regular reviews of periodic and annual financial reports which indicate financial performance against the forecasts;
- setting targets to measure financial and other performance;
- clearly defined capital expenditure guidelines; and
- an effective Internal Audit service.

Review of Effectiveness

The Joint Board has a responsibility for ensuring the continuing effectiveness of its governance framework and its system of internal financial control. West Dunbartonshire Council's Audit and Risk Manager produces an annual audit plan based on a risk assessment of the Council's and Valuation Joint Board's systems and processes. The audit plan is approved by the Audit Committee of the Council. This Committee meets regularly and receives reports from the Audit Manager. The Joint Board's external auditors also attend. The Audit and Risk Manager produces an annual report on the work carried out by Internal Audit during the year. This report contains a view on the effectiveness of the system of internal financial control.

The Internal Audit service operates in accordance with Public Sector Internal Audit Standards (PSIAS). The Audit and Manager meets regularly with chief internal auditors of other authorities and staff within the Internal Audit Service are appropriately trained.

Our review of the effectiveness of the system of internal financial control is informed by:

- the work of managers within both the Joint Board and West Dunbartonshire Council who have responsibility for the development and maintenance of the financial control framework;
- the work undertaken by West Dunbartonshire Council's Internal Auditors during the year to 31 March 2019;
- the assessment of risk completed during reviews of the strategic audit plan;
- reports issued by the Valuation Joint Board's External Auditors and other review bodies; and
- knowledge of the Valuation Joint Board's governance, risk management and performance monitoring arrangements.

Through West Dunbartonshire Council, the Board's financial management arrangements conform with the governance requirements of the CIPFA Statement on The Role of Chief Financial Officer in Local Government 2010.

We are satisfied that the Valuation Joint Board has in place a sound system of internal financial control and that appropriate mechanisms are in place to identify any areas of weakness and to take appropriate action. This is corroborated by an Annual Assurance Statement prepared by the Audit Manager stating that reasonable assurance can be placed upon the adequacy and effectiveness of the Joint Board's internal control system in the year to 31 March 2019.

ANNUAL GOVERNANCE STATEMENT (Cont'd)

Annual Performance

Examples of developments which have led to significant improvement in arrangements for control, governance or risk management within the Joint Board during 2018/19 include:

- A revised Counter Fraud and Corruption Strategy was approved by Joint Board and implemented along with the introduction of a new Business Irregularities Procedures specific to the Valuation Joint Board.
- A new Data Protection Policy was approved and implemented, along with associated Data Audit, Data Breach procedures, a Subject Access Request procedure and a Privacy Impact Assessment process. Contracts, including those with data processors, have been reviewed. A Data Protection Officer was appointed and appropriately trained. New Privacy Notices were implemented across all areas of function including internal personnel data. This all resulted in a positive report being issued following an Internal Audit of Data Protection and Freedom of Information procedures.
- An annual self-assessment against the CIPFA/Solace “Delivering Good Governance in Local Government: Framework” was carried out with the resultant Action Plan approved by Joint Board.
- A Communications Strategy was developed and approved to enhance openness and stakeholder engagement.
- Written definitions of the roles of Clerk and Treasurer developed and approved by the Joint Board.
- An assessment of the risks associated with the UK’s withdrawal from the EU was completed allowing risks or uncertainties arising from the planned withdrawal were considered and managed/mitigated as required.
- The Risk Management Strategy was revised and approved by Joint Board.
- Several Personnel/HR-related Policies, including a revised Code of Conduct for officials, were updated and approved by the Board during 2018/19, ensuring alignment with current best practice and the support structures of West Dunbartonshire Council.
- The Financial Strategy, which covers a 10 year period and presents a number of scenarios, was updated and presented to the Board.

The following areas were identified by the Assessor for further improvements in 2019/20:

- A Member/Officer Short-Life Working Group has been established to consider the options available to address the structural funding gap. The SLWG will report to the Board in September 2019 and any conclusions agreed by the Board will be factored into the budget estimates and service planning processes for 2019/20 and thereafter.
- Reviews of the Joint Board’s ‘Information Asset Register’ and ‘Business Classification & Retention of Documents’ will be completed to ensure improved compliance with best practice in relation to Data Protection and Records Management.
- To ensure that proper budgetary and procurement procedures are followed, induction and other training will be provided to the newly appointed Principal Administrative Officer.
- A complete review of our ICT network structures and performance, including the contingency arrangements for the Board’s electoral management system, will be completed and proposed improvements implemented to ensure that systems are compliant with WDC’s recommendations and appropriate levels of business continuity are assured.

***DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019***

ANNUAL GOVERNANCE STATEMENT (Cont'd)

Annual Performance (Cont'd)

- To ensure compliance with future statutory requirements, consideration will be given to the Non-Domestic Rates (Scotland) Bill and all related secondary legislation being considered by the Scottish Parliament. The recently established internal project team will develop and deliver the systems and process changes required to meet the duties and powers contained in the proposed NDR (Reform) Act 2020.
- To ensure compliance with future statutory requirements, consideration will be given to the Cabinet Office's Project Planning documents and emerging legislation. The VJB will take part in data matching and other test during 2019/20 to enable planning and budgeting for the forthcoming changes.

Assurance

On the basis of the assurance provided, we consider the governance and internal control environment operating during 2018/19 to provide reasonable and objective assurance that any significant risks impacting on the achievement of our principal objectives will be identified and actions taken to avoid or mitigate their impact. Systems are in place to continually review and improve the governance and internal control environment and action plans are in place to address identified areas for improvement.

Councillor Richard Trail
Convenor of the Board
Date: 25 September 2019

David Thomson
Assessor and Electrical Registration Officer
Date: 25 September 2019

Stephen West
Treasurer
Date: 25 September 2019

INTRODUCTION TO ANNUAL ACCOUNTS

The Annual Accounts comprise the following primary statements:

- Comprehensive Income and Expenditure Statement;
- Movement in Reserves Statement;
- Balance Sheet;
- Cashflow Statement; and
- Summary of significant accounting policies and other explanatory notes.

Comprehensive Income and Expenditure Statement

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from constituent authority contributions.

Movement in Reserves Statement

This statement shows the movement in the year on the different reserves held by the Board, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure) and other reserves. The surplus or (deficit) on the provision of services line shows the true economic cost of providing the Board's services, more details of which are shown in the comprehensive income and expenditure statement. The net increase/decrease before transfer to earmarked reserves line shows the statutory general fund balance before any discretionary transfers to or from earmarked reserves undertaken by the Board.

Balance Sheet

The balance sheet shows the value as at the balance sheet date of the assets and liabilities recognised by the Board. The net assets of the Board (assets less liabilities) are matched by the reserves held by the Board. Reserves are reported in two categories. The first of the category of reserves are usable reserves, i.e. those reserves that the Board may use to provide services, subject to any statutory limitations on their use (for example the capital receipts reserve that may only be used to fund capital expenditure). The second category of reserves is those that the Board is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the revaluation reserve), where accounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the movement in reserves statement line 'adjustments between accounting basis and funding basis under regulations'.

Cash Flow Statement

The cash flow statement shows the changes in cash and cash equivalents of the Board during the reporting period. The statement shows how the Board generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the authority are funded by way of taxation and grant income or from the recipients of services provided by the authority. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Board's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Board.

DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

| 2017/18 | | | 2018/19 |
|--------------------|---|--------------|--------------------|
| Net | | | Net |
| Expenditure | | Notes | Expenditure |
| £000 | | | £000 |
| | Income | | |
| (10) | Customer Receipts | | (9) |
| | Expenditure | | |
| 2,462 | Employee Costs | 2 | 2,792 |
| 113 | Property Costs | | 100 |
| 47 | Transport Costs | | 41 |
| 243 | Supplies & Services | | 242 |
| 44 | Payment to Other Bodies | | 35 |
| 128 | Support Services | | 125 |
| 22 | Depreciation, Amortisation & Impairment | 2/6/7 | 13 |
| 3,049 | Net Cost of Service | | 3,339 |
| (2,611) | Revenue Contributions | 15 | (2,611) |
| (70) | Government Grants | 16 | (66) |
| (13) | Capital Contributions | | 0 |
| (2,694) | Other Operating Income | | (2,677) |
| 355 | Net Operating Expenditure | | 662 |
| 0 | Interest Payable | | 1 |
| 194 | Net Interest on the net defined benefit liability/(assets) | 4 | 93 |
| 194 | Finance and Investment Income and Expenditure | | 94 |
| 549 | (Surplus)/Deficit on provision of services | | 756 |
| (4,711) | Remeasurement of the net defined benefit liability/(assets) | 4 | 1,332 |
| (4,711) | Other Comprehensive (Income) & Expenditure | | 1,332 |
| (4,162) | Total Comprehensive (Income) & Expenditure | | 2,088 |

DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

MOVEMENT IN RESERVES STATEMENT

2018/19

| | Usable Reserves | | Unusable Reserves | | | | |
|--|----------------------------------|---|--|---|-------------------------------------|--|------------------------------------|
| | Fund Balance £000 | Capital Requisition Unapplied Account £000 | Capital Adjustment Account £000 | Revaluation Reserve £000 | Pension Reserve £000 | Statutory Mitigation Account £000 | Total Reserves £000 |
| Opening Balance as at 1 April 2018 | 551 | 29 | 607 | 35 | (3,140) | (17) | (1,935) |
| Movements in Reserves | | | | | | | |
| Surplus or (Deficit) on provision of Services | (756) | 0 | 0 | 0 | 0 | 0 | (756) |
| Other Comprehensive Income and Expenditure | 0 | 0 | 0 | 0 | (1,332) | 0 | (1,332) |
| Total Comprehensive Income and Expenditure | (756) | 0 | 0 | 0 | (1,332) | 0 | (2,088) |
| Adjustments between accounting basis & funding basis | | | | | | | |
| Depreciation/Impairment | 13 | 0 | (13) | 0 | 0 | 0 | 0 |
| Pension Scheme Adjustment | 745 | 0 | 0 | 0 | (745) | 0 | 0 |
| Net Transfer to or from earmarked reserves required by legislation | (1) | 0 | 0 | 0 | 0 | 1 | 0 |
| Capital requisitions unapplied adjustments between accounting basis and funding basis under regulations | 0 | (4) | 4 | 0 | 0 | 0 | 0 |
| Total Statutory Adjustments | 757 | (4) | (9) | 0 | (745) | 1 | 0 |
| Increase/Decrease in Year | 1 | (4) | (9) | 0 | (2,077) | 1 | (2,088) |
| Balance at 31 March 2019 | 552 | 25 | 598 | 35 | (5,217) | (16) | (4,023) |
| Total Usable | | 577 | Total Unusable | | (4,600) | | |

DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

MOVEMENT IN RESERVES STATEMENT

2017/18

| | Usable Reserves | | Unusable Reserves | | | | Total Reserves £000 |
|--|----------------------|---|------------------------------------|-----------------------------|-------------------------|--------------------------------------|------------------------|
| | Fund Balance £000 | Capital Requisition Unapplied Account £000 | Capital Adjustment Account £000 | Revaluation Reserve £000 | Pension Reserve £000 | Statutory Mitigation Account £000 | |
| Opening Balance as at 1 April 2017 | 493 | 16 | 629 | 35 | (7,254) | (16) | (6,097) |
| Movements in Reserves | | | | | | | |
| Surplus or (Deficit) on provision of Services | (549) | 0 | 0 | 0 | 0 | 0 | (549) |
| Other Comprehensive Income and Expenditure | 0 | 0 | 0 | 0 | 4,711 | 0 | 4,711 |
| Total Comprehensive Income and Expenditure | (549) | 0 | 0 | 0 | 4,711 | 0 | 4,162 |
| Adjustments between accounting basis & funding basis | | | | | | | |
| Depreciation/Impairment | 22 | 0 | (22) | 0 | 0 | 0 | 0 |
| Pension Scheme Adjustment | 597 | 0 | 0 | 0 | (597) | 0 | 0 |
| Net Transfer to or from earmarked reserves required by legislation | 1 | 0 | 0 | 0 | 0 | (1) | 0 |
| Capital requisitions applied to fund capital expenditure | (13) | 13 | 0 | 0 | 0 | 0 | 0 |
| Total Statutory Adjustments | 607 | 13 | (22) | 0 | (597) | (1) | 0 |
| Increase/Decrease in Year | 58 | 13 | (22) | 0 | 4,114 | (1) | 4,162 |
| Balance at 31 March 2018 | 551 | 29 | 607 | 35 | (3,140) | (17) | (1,935) |
| Total Usable | | 580 | Total Unusable | | | | (2,515) |

DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

BALANCE SHEET AS AT 31 MARCH 2019

| 31 March 2018 | | | | 31 March 2019 |
|----------------------|--------------|---------------------------------|--|----------------------|
| £000 | Notes | | | £000 |
| 638 | 6 | Property, plant and equipment | | 633 |
| 4 | 7 | Intangible Assets | | 0 |
| 642 | | Total Long Term Assets | | 633 |
| 685 | 8 | Short Term Debtors | | 682 |
| 685 | | Current Assets | | 682 |
| (122) | 10 | Short Term Creditors | | (121) |
| (122) | | Current Liabilities | | (121) |
| (3,140) | 4 | Net Pensions Liability | | (5,217) |
| (3,140) | | Long Term Liabilities | | (5,217) |
| (1,935) | | Net Assets/(Liabilities) | | (4,023) |
| | | Represented by: | | |
| 580 | 11/12 | Usable Reserves | | 577 |
| (2,515) | 13 | Unusable Reserves | | (4,600) |
| (1,935) | | Total Reserves | | (4,023) |

The unaudited Financial Statements were issued on 28 June 2019 and the audited Annual Accounts were authorised for issue on 25 September 2019.

Stephen West
Treasurer
25 September 2019

DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

CASH FLOW STATEMENT

| 2017/18 | | 2018/19 |
|--------------------|--|------------------------|
| £000 | | £000 |
| | Operating Activities | |
| (2,682) | Grants | (2,677) |
| (10) | Sale of goods and rendering of services | (9) |
| <u>(2,692)</u> | Cash Inflows from Operating Activities | <u>(2,686)</u> |
| 2,037 | Cash paid to and on behalf of employees | 2,141 |
| 667 | Other payments for operating activities | 540 |
| <u>2,704</u> | Cash Outflows from Operating Activities | <u>2,681</u> |
| <u>12</u> | Net Cash Flows from Operating Activities | <u>(5)</u> |
| | Investing Activities | |
| 0 | Purchase of Assets | 4 |
| (12) | Other receipts from investing activities | 0 |
| <u>(12)</u> | Net Cash Flows from Investing Activities | <u>4</u> |
| | Financing Activities | |
| 0 | Interest Payable | 1 |
| <u>0</u> | Net Cash Flows from Financing Activities | <u>1</u> |
| <u>0</u> | Net (Increase)/Decrease in Cash and Cash Equivalents | <u><u>0</u></u> |
| 0 | Cash and cash equivalents at the beginning of the reporting period | 0 |
| 0 | Cash and cash equivalents at the end of the reporting period | 0 |
| <u>0</u> | | <u><u>0</u></u> |

NOTES TO THE ANNUAL ACCOUNTS

Note 1 - Accounting Policies

1. General Principles

The Annual Accounts summarise the Board's transactions for the 2018/19 financial year and its position at the year end of 31 March 2019. The Board is required to prepare Annual Accounts by the Local Authority Accounts (Scotland) Regulations 1985. Section 12 of the Local Government in Scotland Act 2003 requires 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 2018/19 ("the Code") and the Service Reporting Code of Practice, supported by International Financial Reporting Standards (IFRS).

The accounting convention adopted in the Annual Accounts is principally historic cost, modified by the revaluation of certain categories of Property, Plant and Equipment and financial instruments.

2. Accruals of Income and Expenditure

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

- Revenue from the provision of services is recognised when the Board can measure reliably the percentage of completion of the transaction and when it is probable that the economic benefits associated with the transaction will flow to the Board;
- Expenses in relation to services received are recorded as expenditure when the services are received, rather than when payment is made;
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet based upon materiality;
- Interest payable on borrowings and receivable on investments is accounted for on the basis of the effective interest rate for the relevant financial instrument, rather than on cash flows fixed or determined by the contract; and
- Where income and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where there is evidence that debts are unlikely to be settled, the balance of debtors is written down and charged to revenue for the income that might not be collected.

3. 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.

Cash equivalents are investments that mature in three months or less from date of acquisition and that are readily convertible to known cash amounts, with insignificant risk of change of value.

Investments held by the Board comprise solely of short term surplus funds held within the bank balances. All deposits are held in sterling. The carrying amount is the outstanding principal receivable.

Bank balances are included in the Balance Sheet at the closing balance in the Board's financial ledger and include cheques payable not yet cashed.

Note 1 - Accounting Policies (Cont'd)

4. Changes in Accounting policies, Estimates and Errors

IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors requires disclosure of information on the expected impact of new accounting standards that have been issued but are not yet effective. These have been reviewed and are not deemed to be significant for the financial statements.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, events or conditions on the Board's financial position or performance. Where a change is made, it is applied retrospectively by adjusting opening balances and comparative figures, as if the new policy has always been applied.

Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years only.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative figures.

5. Charges to Revenue for non-current assets

Services are debited with the following amounts to record the cost of using or holding fixed assets during the year:

- Depreciation, attributable to the assets used by the Board;
- Revaluation and impairment losses, where there is no accumulated gain in the Revaluation Reserve; and
- Amortisation of intangible fixed assets.

The Board is not required to raise funds to cover depreciation, revaluation or impairment losses. Depreciation, revaluation and impairment losses and amortisations are replaced by the revenue provision by an adjustment within the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

6. Intangible assets

Expenditure on non-monetary assets that do not have physical substance but are controlled by the Board as a result of past events (e.g. computer software and/or software licences) is capitalised when it is expected that future economic or service benefits will flow from the asset to the Board.

Assets are measured originally at cost and only revalued where the fair value of the asset can be determined by reference to an active market.

Where an intangible asset has a finite useful life, the depreciable amount of an intangible asset is depreciated over its useful life in the Comprehensive Income and Expenditure Statement. An asset is tested for impairment whenever there is an indication that the asset might be impaired – any losses recognised are posted in the Comprehensive Income and Expenditure Statement. Any gain or loss arising on the disposal or abandonment of an intangible asset is recognised in the Surplus or Deficit on the Provision of Services when the asset is derecognised.

Where expenditure qualifies as capital for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to have an impact on the Board's balance and are therefore reversed out in the Movement in Reserves Statement and posted to the Capital Adjustment Account and the Capital Receipts Reserve.

Note 1 - Accounting Policies (Cont'd)

7. Property, Plant and Equipment

Assets that have physical substance and are held for the supply of goods and services, either directly or indirectly, and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment.

Recognition

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

Measurement

Initially measured at cost, comprising of:

- Purchase price;
- Any costs associated with bringing the asset to the location or condition necessary for it to be capable of operating in the manner intended by management; and
- The initial estimate of costs for dismantling and removing the item and restoring the site on which it is located to its original state.

Where property, plant or equipment are acquired in exchange for a non- monetary asset or assets, or a combination of monetary and non- monetary assets, the cost of the acquired item shall be measured at fair value unless there is no economic substance to the exchange transaction, or the fair value of neither the asset received nor the asset given up can be reliably measured. The acquired item is measured at fair value even if the Board cannot immediately derecognise the asset given up. The acquired item is measured at the carrying amount of the asset given up if it is not measured at fair value.

Assets are then carried in the Balance Sheet using the following measurement bases:

- Other buildings – fair value. Where there is no market based evidence of fair value because of the specialised nature of the asset and the asset is rarely sold, depreciated replacement cost is used as an estimate of fair value; and
- Plant and equipment and other non -property assets – fair value. Where assets in this class have either short useful lives or low values (or both), depreciated historical cost is considered to be a proxy for fair value where the useful life is a realistic reflection of the life of the asset and the depreciation method provides a realistic reflection of the consumption of the asset class.

Assets included in the Balance Sheet at fair value are re-valued regularly to ensure their carrying amount is not materially different from the fair value at the year end, as a minimum every 5 years.

Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains.

Where decreases in value are identified, the revaluation loss is accounted by:

- Balance of revaluation gains for the asset in Revaluation Reserve – the carrying amount of the asset is written down against that balance (up to the total gain); or
- No balance of revaluation gains for the asset in the Revaluation Reserve – the carrying amount is written down in the Comprehensive Income and Expenditure Statement.

The Revaluation Reserve contains revaluation gains recognised since 1 April 2007, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

Note 1 - Accounting Policies (Cont'd)

7. Property, Plant and Equipment (Cont'd)

Impairment

Assets are assessed at the end of each financial year for evidence in impairment or a reduction in value. Where indications exist and any possible differences are estimated to be material, the recoverable amount on the asset is estimated and where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

Where impairment losses are identified, they are accounted for by:

- Balance of revaluation gains for the asset in Revaluation Reserve – the carrying amount of the asset is written down against that balance (up to the total accumulated gains); or
- No balance of revaluation gains for the asset in the Revaluation Reserve – the carrying amount is written down in the Comprehensive Income and Expenditure Statement.

Where an impairment loss is reversed subsequently, the reversal is credited in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would be charged if the loss had not been recognised.

Depreciation

Depreciation is provided on all property, plant and equipment over their useful economic lives, with an exception made for assets without a determinable finite useful life (i.e. non depreciating land).

The useful lives of assets, as estimated and advised by a suitably qualified officer, are as follows:

- Other buildings* 20-60 years straight line
- Vehicles, plant, equip 5-10 years straight line
- Intangibles 5-10 years straight line

* Including components such as structure, mechanical and electrical, etc.

Where an item of property, plant and equipment assets has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately.

Revaluation gains are also depreciated, with an amount equal to the difference between current depreciation charged on assets and the depreciation that would be chargeable based upon historic cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

8. Employee Benefits

Benefits payable during employment

Short term employee benefits (i.e. fall due within 12 months of the year-end), such as wages and salaries, paid leave, paid sick leave, bonuses and non-monetary benefits for current employees are recognised as an expense in the year in which the employees render service to the Board. An accrual is made against the services in the Surplus or Deficit on the Provision of Service for the costs of holiday entitlement and other forms of leave earned by the employee but not taken before the year end and which employees can carry forward into the next financial year. Any accrual made is required under statute to be reversed out of the General Fund balance by a credit to the Statutory Mitigation Account in the Movement in Reserves Statement.

Note 1 - Accounting Policies (Cont'd)

8. Employee Benefits (Cont'd)

Termination Benefits

Termination benefits are amounts payable as a result of a decision made by the Board to terminate an officer's employment before the normal retirement date or an officer's decision to accept a voluntary termination package in exchange for those benefits. Termination benefits do not provide the Board with future economic benefits and consequently they are recognised on an accruals basis immediately in the Surplus or Deficit on the Provision of Services line in the Comprehensive Income and Expenditure Statement when the authority is demonstrably committed to provision of the termination benefits.

Where termination benefits involve the enhancement of pensions, they are treated as pension costs for the purpose of the statutory transfer between the Pension Reserve and the General Fund of the amount by which the pension costs calculated in accordance with the Code are different from the contributions due under the pension scheme regulations. In the Movement in Reserves Statement appropriations are required to and from the Pension Reserve to remove notional debits and credits for termination benefits related to pension's enhancements and replace them with the cost of the cash paid, including any amounts due and not paid at the year end.

Post-Employment Benefits

Employees of the Board are members of The Local Government Pensions Scheme, administered by Glasgow City Council.

The scheme provides defined benefits to members earned as employees of the Board. The Local Government scheme is accounted for as a defined benefits scheme:

- The liabilities of the pension fund attributable to the Board are included within 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 upon assumptions about mortality rates, employee turnover rates, projection of earnings for current employees, etc);
- Liabilities are discounted to their value at current prices using a discount rate of 4.3% (based upon the indicative return rate on long dated high quality corporate bonds);
- All assets are at bid value and are split into Quoted Prices in Active Markets and Prices not quoted in Active Markets, they are now shown in the notes in more detail; and
- Split by Equity Securities, Debt Securities, Private Equity, Real Estate, Investment Funds, Derivatives, Cash.
- The change in the net pensions liability is analysed into six components:
 - Current service cost – the increase in liabilities as result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employee worked;
 - Past service cost – the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years – debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement;
 - Net Interest expenses – the expected increase in the present value of liabilities during the year as they move one year closer, less the fair value of plan assets debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement;
 - Gains/losses on settlements and curtailments – the result of actions to relieve the Board of liabilities or events that reduce the expected future service or accrual of benefits of employees – debited/credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement;

Note 1 - Accounting Policies (Cont'd)

8. Employee Benefits (Cont'd)

- 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 – debited to the Pensions Reserve; and
- Contributions paid to the local government 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 Fund to be charged with the amount payable by the Board to the pension fund or directly to pensioners in the year, not the amount calculated in accordance to the relevant accounting standards. In the Movement in Reserves Statement this means that there are appropriations to and from the Pension Reserve to remove any notional debits and credits for retirement benefits and replace them with the cash paid or payable at the year end, to the pension fund and pensioners. The negative balance that arises on the Pension Reserve measures the beneficial impact on the Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits earned by employees.

Discretionary Benefits

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

9. Events after the reporting period

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

- Those that provide evidence of conditions that existed at the end of the reporting period – the Annual Accounts are adjusted to reflect this; and
- Those that are indicative of conditions that arose after the reporting period – the Annual Accounts are not adjusted to reflect this. However, if the event is material, a disclosure is made within the notes of the nature and financial effect.

10. Operating Leases

Board as Lessee

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 it does not match the pattern of payment.

Board as Lessor

Where the Board grants an operating lease over an asset, the asset is retained in the Balance Sheet. Rental income is credited to the Comprehensive Income and Expenditure Statement. Credits are made on a straight line basis over the life of the lease, even if it doesn't match the pattern of payment.

Note 1 - Accounting Policies (Cont'd)

11. Provisions, contingent liabilities and contingent assets

Provisions

Provisions are made where an event has taken place that gives the Board an obligation, either legal or constructive, as a result of a past event that results in a probable outflow of resources and a reliable estimate can be made of the amount of that obligation.

Provisions are charged as an expense to the Comprehensive Income and Expenditure Statement in the year the Board becomes aware of the obligation and measured at the best estimate at the Balance Sheet date, taking account of 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 is now required; the provision is reversed and credited back to the relevant service.

Contingent Liabilities

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

Contingent liabilities are not recognised in the Balance Sheet but are disclosed as a note to the accounts, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

Contingent assets

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

Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits.

12. VAT

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

13. Reserves

Reserves are created by appropriating amounts out of the General Reserve Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the Surplus/Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the General Reserve Balance in the Movement in Reserves Statement so that there is no net charge against requisition income for the expenditure.

Certain reserves are kept to manage the accounting processes for non-current assets and retirement benefits and these reserves do not represent usable resources for the Board.

DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

Note 2 – Expenditure and Funding Analysis

The analysis of income and expenditure on the face of the comprehensive income and expenditure statement is that specified by the Service Reporting Code of Practice. However decisions about resource allocation are taken by the Board on the basis of reports that are prepared on a different basis from the accounting policies used in the financial statements. In particular:

- no charges are made in relation to capital expenditure (whereas depreciation, revaluation and impairment losses in excess of the balance on the revaluation reserve and amortisations are charged to the Board in the comprehensive income and expenditure statement); and
- the cost of retirement benefits is based on cash flows (payments of employer's pension's contributions) rather than current service cost of benefits accrued in the year.

The difference between the employee costs figure and the figure reported in the Comprehensive Income & Expenditure Statement is due to accounting adjustments for pensions and holiday pay accrual as detailed in the table below. These costs are year -end adjustments that are offset by corresponding transfers to the Balance Sheet and the Movement in Reserves Statement. None of the other rows within the Comprehensive Income & Expenditure Statement would be altered in the Expenditure and Funding Analysis and therefore have not been included in the table below.

2018/19

| | Net Chargeable to the General Fund £000 | Adjustments between Funding and Accounting Basis £000 | Net Expenditure in the Comprehensive Income and Expenditure Statement £000 |
|---|--|--|---|
| Employee Costs | 2,141 | 651 | 2,792 |
| Depreciation | 0 | 13 | 13 |
| Net Interest on the net defined benefit liability/(assets) | 0 | 93 | 93 |
| Total | 2,141 | 757 | 2,898 |

Restated 2017/18

| | Net Chargeable to the General Fund £000 | Adjustments between Funding and Accounting Basis £000 | Net Expenditure in the Comprehensive Income and Expenditure Statement £000 |
|---|--|--|---|
| Employee Costs | 2,058 | 404 | 2,462 |
| Depreciation | 0 | 22 | 22 |
| Net Interest on the net defined benefit liability/(assets) | 0 | 194 | 194 |
| Total | 2,058 | 620 | 2,678 |

DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

Note 3 – Operating Leases

Board as Lessor

The Board leases out property under operating leases to provide suitable affordable accommodation to Alpha Pets. Alpha Pets lease was due to end on the 14 April 2016; however the company and the Board have a tacit relocation agreement.

The minimum lease payments in future years are:

| 31 March 2018 | | 31 March 2019 |
|----------------------|---|----------------------|
| £000 | | £000 |
| 2 | Not later than one year | 2 |
| 0 | Later than one year and not later than five years | 0 |
| 0 | Later than five years | 0 |
| 2 | | 2 |

Board as Lessee

The Board has acquired a number of photocopiers, scanner and letter openers by entering into operating leases.

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

| 31 March 2018 | | 31 March 2019 |
|----------------------|---|----------------------|
| £000 | | £000 |
| 5 | Not later than one year | 5 |
| 9 | Later than one year and not later than five years | 4 |
| 0 | Later than five years | 0 |
| 14 | | 9 |

Note 4 – Defined Benefit Pension Schemes

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

The Board participates in the Strathclyde Local Government Pension Scheme, which is a defined benefit statutory scheme, operated as Strathclyde Pension Fund, and administered by Glasgow City Council in accordance with the Strathclyde Local Government Pension Scheme (Scotland) Regulations 1998. This is a funded scheme, meaning that the Board and employees pay contributions into a fund, calculated at a level intended to balance the pensions' liabilities with investment assets. The employers' contribution rate is set by the Fund actuaries following valuation. The employer contribution rate for 2018/19 is set at 22.9% and 2017/18 was 19.3%. In 2018/19, the Board paid an employer's contribution of £0.316m (2017/18 £0.271m).

In addition, the Board is responsible for all pension payments relating to added years' benefits which it has awarded together with the related increases. Strain on the Fund costs are charged in year for any early retirements. There was no Severance or Strain on the Fund Payments during financial year 2018/19 (2017/18: £0).

The Board fully complies with the international accounting standard (IAS 19) concerning the disclosure of information on pension. IAS 19 states that although the pension benefits will not be payable until the employee retires; the Board has a commitment to make these payments and must disclose the cost of this in its accounts at the time employees earn their future entitlements.

The Board recognised 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 that the Board is required to make against its budget 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 reserve 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.

DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

Note 4 – Defined Benefit Pension Schemes (Cont'd)

| 2017/18 | | 2018/19 |
|----------------|---|----------------|
| £000 | | £000 |
| | Net cost of services | |
| 590 | Current service cost | 977 |
| 92 | Past service cost (including curtailments) | 0 |
| 682 | | 977 |
| | Financing and investment Income and Expenditure | |
| 194 | Net Interest | 93 |
| 194 | | 93 |
| | Total post-employment benefit charged to the Surplus or Deficit on the provision of Services | 1,070 |
| (386) | Return on plan assets | (687) |
| | Actuarial gains and losses arising on changes in financial | |
| (1,369) | Assumptions | 2,018 |
| 17 | Changes in demographic assumptions | 0 |
| (2,973) | Actuarial gains and losses arising on experience assumptions | 1 |
| (3,835) | Total post-employment benefit charged to the comprehensive income and expenditure statement | 2,402 |
| | Movement in Reserves Statement | |
| (876) | Reversal of net charges made to surplus of deficit for post-employment benefits | (1,070) |
| | Actual amount charged against the General Fund balance in the year | |
| 279 | Employer contributions payable to Scheme | 325 |

The underlying assets and liabilities for retirement benefits attributable to the Board as at 31 March 2019 are as follows:

| | 2018/19 | 2017/18 |
|---|----------------|----------------|
| | £000 | £000 |
| Fair value of plan assets | 22,409 | 21,221 |
| Present Value of defined benefit obligations | (27,382) | (24,127) |
| Net (liabilities)/assets in the Strathclyde Pension Fund | (4,973) | (2,906) |
| <u>Present Value of Unfunded Liabilities</u> | (244) | (234) |
| Pre Local Government Reorganisation | | |
| Net pension asset/(liability) | (5,217) | (3,140) |

For the Strathclyde Local Government Pension Scheme at 31 March 2019 the Board has a net liability £4.973m and for the unfunded liabilities a net liability of £0.244m. The Board's net liability of £5.217m at 31 March 2019 reflects the future obligations to fund retirement benefits. This represents an increase in the net liability of £2.077m compared to the position at 31 March 2018.

The expected return on assets is based on long term future expected investment return for each asset class as at the beginning of the period. The expected rate of return is 5.9% as at 31/03/19, this is a decrease from 6.0% as at 31/03/18.

Liabilities are valued on an actuarial basis using the projected unit method which assesses the future liabilities of the fund discounted to their present value. The rate used to value liabilities is the basis of long dated high quality corporate bonds.

DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

Note 4 – Defined Benefit Pension Schemes (Cont'd)

The movement during the year on the defined obligation is noted as:

| 2017/18 | | 2018/19 |
|----------------|---|----------------|
| £000 | | £000 |
| 27,673 | Opening balance | 24,361 |
| 590 | Current service cost | 586 |
| 92 | Past service cost (including curtailments) | 391 |
| 723 | Interest cost | 665 |
| 100 | Contributions by Members | 97 |
| (1,369) | Actuarial gains/losses in financial assumptions | 2,018 |
| (2,973) | Other Experience | 1 |
| (8) | Estimated unfunded benefits paid | (9) |
| (484) | Estimated benefits paid | (484) |
| 17 | Changes in demographic assumptions | 0 |
| 24,361 | | 27,626 |

The movement during the year regarding the fair value of the employer's assets is noted as:

| 2017/18 | | 2018/19 |
|----------------|---|----------------|
| £000 | | £000 |
| 20,419 | Opening balance | 21,221 |
| 386 | Expected return on assets | 687 |
| 529 | Interest Income | 572 |
| 100 | Contributions by Members | 97 |
| 271 | Contributions by employer | 316 |
| 8 | Contributions in respect of unfunded benefits | 9 |
| (8) | Estimated unfunded benefits paid | (9) |
| (484) | Estimated benefit paid | (484) |
| 21,221 | | 22,409 |

The Valuation Joint Board's share of the pension funds asset at 31 March 2019 comprised:

| Asset Category | 31 March 2019 | | | 31 March 2018 | | |
|-------------------------------------|---|---|-----------------------|---|---|-----------------------|
| | Quoted Prices in Active Markets £000 | Prices not Quoted in Active Markets £000 | Total £000 | Quoted Prices in Active Markets £000 | Prices not Quoted in Active Markets £000 | Total £000 |
| Equity Securities | 5,169 | 14 | 5,183 | 4,895 | 13 | 4,908 |
| Debt Securities | 703 | 0 | 703 | 666 | 0 | 666 |
| Private Equity | 0 | 2,678 | 2,678 | 0 | 2,536 | 2,536 |
| Real Estate | 0 | 2,029 | 2,029 | 0 | 1,921 | 1,921 |
| Investment funds and unit trusts | 7,356 | 2,194 | 9,550 | 6,966 | 2,078 | 9,044 |
| Derivatives | 0 | 0 | 0 | 1 | 0 | 1 |
| Cash and Cash Equivalent | 1,154 | 1,112 | 2,266 | 1,092 | 1,053 | 2,145 |
| Totals | 14,382 | 8,027 | 22,409 | 13,620 | 7,601 | 21,221 |

DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

Pension Assets and Liabilities (Cont'd)

Asset and Liability Matching Strategy (ALM)

The main fund (Fund 1) of Strathclyde Pension Fund does not have an asset and liability matching strategy (ALM) as this is used mainly by mature funds. The Fund does match, to the extent possible, the types of assets invested to the liabilities in the defined benefit obligation. As is required by the pensions and investment regulations, the suitability of various types of investment has been considered, as has the need to diversify investments to reduce the risk of being invested into narrow a range. The Fund invests in equities, bonds, properties and in cash.

The principal actuarial assumptions used at the balance sheet date are as follows:

| 31/03/2018 | | 31/03/2019 |
|-------------------|---------------------------------|-------------------|
| 6.0% | Expected rate of return | 5.9% |
| 2.4% | Inflation/pension increase rate | 2.5% |
| 3.6% | Salary increase rate | 3.7% |
| 2.7% | Discount rate | 2.4% |

Mortality

Based on these assumptions, the average future life expectancies at the age of 65 are:

| | Males | Females |
|--------------------|--------------|----------------|
| Current pensioners | 21.4 years | 23.7 years |
| Future Pensioners | 23.4 years | 25.8 years |

Sensitivity Analysis

The estimation of defined benefit obligation is sensitive to the actuarial assumptions. The sensitivity regarding the principal assumptions used to measure the schemes liabilities are set out below

| | Approximate % increase to Employer Liability | Approximate monetary Amount (£000) |
|--|---|---|
| Rate for discounting fund liabilities (0.5% decrease) | 10% | 2,780 |
| Rate of salary increase (0.5% increase) | 2% | 638 |
| Rate of pension increase (0.5% increase) | 8% | 2,070 |

The total employer contributions expected to be made to the Local Government Pension Scheme for 2018/19 is £316,000.

Note 5 – External Audit Costs

In 2018/19 the Board incurred the following fees relating to external audit in respect of external audit services undertaken in accordance with the Code of Audit Practice:

| 2017/18 £000 | | 2018/19 £000 |
|-------------------------|--|-------------------------|
| <u>7</u> | Fees payable for external audit services | <u>7</u> |
| <u>7</u> | | <u>7</u> |

DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

Note 6 – Property, Plant and Equipment

| | Land & Buildings £000 | Plant & Equipment £000 | Total £000 |
|---|--|---|-----------------------|
| Movements in costs or values | | | |
| 1 April 2017 | 621 | 142 | 763 |
| Additions | 0 | 0 | 0 |
| 31 March 2018 | 621 | 142 | 763 |
| Additions | 0 | 4 | 4 |
| 31 March 2019 | 621 | 146 | 767 |
| Movements in depreciation and impairment | | | |
| 1 April 2017 | (3) | (101) | (104) |
| Depreciation charge | (5) | (17) | (22) |
| 31 March 2018 | (8) | (118) | (126) |
| Depreciation charge | (3) | (5) | (8) |
| 31 March 2019 | (11) | (123) | (134) |
| Net Book Value | | | |
| At 31 March 2018 | 614 | 24 | 638 |
| At 31 March 2019 | 610 | 23 | 633 |

Revaluations

The Board carries out a rolling programme that ensures that all property, plant and equipment required to be measured at fair value is re-valued at least every five years. Valuations of land and buildings are carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors.

Note 7 – Intangible Assets

The Board accounts for its software as intangible assets, to the extent that the software is not an integral part of a particular IT system and accounted for as part of the hardware item of property, plant and equipment. The intangible assets include purchased licences.

All software is given a finite useful life, based on assessments of the period that the software is expected to be of use to the Board. The useful lives assigned to software licences are: 5-10 years. The carrying amount of intangible assets is amortised on a straight-line basis

The movement on Intangible Asset balances during the year is as follows:-

| 2017/18 | | 2018/19 |
|----------------|---|----------------|
| £000 | Balance at start of year: | £000 |
| 9 | Gross carrying amount | 9 |
| (3) | Accumulated amortisation | (5) |
| 6 | Net carrying amount at start of year | 4 |
| 0 | Additions | 0 |
| (2) | Amortisation for the period | (2) |
| 0 | Amortisation Written Out | 2 |
| 4 | Net carrying amount at end of year | 0 |
| | Comprising: | |
| 9 | Gross carrying amounts | 9 |
| (5) | Accumulated amortisation | (9) |
| 4 | | 0 |

DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

Note 8 – Debtors

| 2017/18 | | 2018/19 |
|----------------|--------------------------------|----------------|
| £000 | | £000 |
| 5 | Other Entities and Individuals | 9 |
| 680 | Other Local Authorities | 673 |
| 685 | | 682 |

Note 9 – Cash and Cash Equivalents

The balance of cash and cash equivalents is made up of the following elements:

| 2017/18 | | 2018/19 |
|----------------|---------|----------------|
| £000 | | £000 |
| 0 | Imprest | 0 |
| 0 | | 0 |

Note 10 – Creditors

| 2017/18 | | 2018/19 |
|----------------|--------------------------------|----------------|
| £000 | | £000 |
| 4 | Central Government Bodies | 6 |
| 101 | Other Entities and Individuals | 100 |
| 17 | Other Local Authorities | 15 |
| 122 | | 121 |

Note 11 – Balances & Reserves

At their Board meeting on the 16 November 2012, the Board approved a Balance and Reserves Policy. The table below details the movement on revenue reserves this year.

| | £000 |
|---|-------------|
| Opening Balance at 1 April 2018 | 551 |
| Gains/(Losses) on the fund | 1 |
| Closing Balance at 31 March 2019 | 552 |

The revenue reserves balance stands at £0.552m on 31 March 2019, of which £0.162m has been applied to balance the 2019/20 budget, leaving an unearmarked balance of £0.390m.

Note 12 – 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.

| 2017/18 | | 2018/19 |
|--|--|----------------|
| £000 | | £000 |
| 12 | Contributions from Authorities | 0 |
| 17 | Unapplied Capital contributions b/forward | 29 |
| Capital expenditure incurred during the year: | | |
| 0 | Upgrade PC's | (4) |
| 0 | Servers | 0 |
| 0 | Purchase of Building | 0 |
| 29 | Unapplied Capital contributions c/forward | 25 |

DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

Note 13 – Unusable Reserves

| 31 March 2018 | | 31 March 2019 |
|----------------------|--------------------------------|----------------------|
| £000 | | £000 |
| 607 | Capital Adjustment Account | 598 |
| 35 | Revaluation Reserve | 35 |
| (3,140) | Pension Reserve | (5,217) |
| (17) | Statutory Mitigation Account | (16) |
| (2,515) | Total Unusable Reserves | (4,600) |

Capital Adjustment Account

The capital adjustment account absorbs the timing difference arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The account is debited with the cost of acquisition, construction or enhancement as depreciation/impairment losses and amortisations are charged to the comprehensive income and expenditure statement (with reconciling postings to the revaluation reserve to convert fair value figures to a historical cost basis). The account is credited with the amounts set aside by the Board as finance for the costs of acquisition, construction and enhancement.

The account contains revaluation gains accumulated on property, plant and equipment before 1 April 2007, the date that the revaluation reserve was created to hold such gains. The movement in reserve statement provides detail of the source of all the transactions posted to the account.

Revaluation Reserve

The revaluation reserve contains the gains made by the Board arising from increases in the value of its property, plant and equipment (and intangible assets). The balance is reduced when assets with accumulated gains are:

- re-valued downwards or impaired and the gains are lost;
- used in the provision of services and the gains are consumed through depreciation; or
- disposed of and the gains are realised.

The reserve contains only revaluation gains accumulated since 1 April 2007, the date that the reserve was created. Accumulated gains arising before that date are consolidated into the balance on the capital adjustment account.

Pension Reserve

The pension reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Board accounts for post-employment benefits in the comprehensive income and expenditure 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 requires benefits earned to be financed as the Board makes employer's contributions to pension funds or eventually pays any pension for which it is directly responsible. The debit balance on the pensions reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Board has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

Statutory Mitigation Account

The statutory mitigation account absorbs the differences that would otherwise arise on the general fund balance from accruing for compensated absences earned but not taken in the year, e.g. annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the general fund balance is neutralised by transfers to or from this account.

Capital Requisition Unapplied Account

The capital requisition unapplied account represents capital contributions from the constituent authorities which have not yet been spent.

DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

Note 14 – Contingent Assets & Liabilities

The Board has not identified any Contingent Assets and Liabilities.

Note 15 – Contributions from Authorities

| Revenue | | Revenue |
|----------------|-----------------------------|----------------|
| 2017/18 | | 2018/19 |
| £000 | | £000 |
| 1,275 | Argyll & Bute Council | 1,281 |
| 642 | East Dunbartonshire Council | 642 |
| 694 | West Dunbartonshire Council | 688 |
| 2,611 | | 2,611 |

Note 16 – Government Grants

The Board received a total of £66,022 of government grants in 18/19 to continue with the delivery of Individual Electoral Registration.

| 2017/18 | | 2018/19 |
|----------------|----------------|----------------|
| £000 | | £000 |
| 70 | Cabinet Office | 66 |
| 70 | | 66 |

Note 17 – Related Parties

It is a requirement of the Code that material transactions with related parties (i.e organisations which the Board can influence or be influenced by) should be disclosed. The Board forms Group Accounts with three local authorities, namely West Dunbartonshire Council, East Dunbartonshire Council and Argyll & Bute Council. Sums paid by the local authorities to the Board are detailed in Note 15.

Independent auditor's report to the members of Dunbartonshire and Argyll & Bute Valuation Joint Board and the Accounts Commission

Report on the audit of the financial statements

Opinion on financial statements

I certify that I have audited the financial statements in the annual accounts of Dunbartonshire and Argyll & Bute Valuation Joint Board for the year ended 31 March 2019 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the Comprehensive Income and Expenditure Statement, Movement in Reserves Statement, Balance Sheet, Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2018/19 (the 2018/19 Code).

In my opinion the accompanying financial statements:

give a true and fair view in accordance with applicable law and the 2018/19 Code of the state of affairs of the Dunbartonshire and Argyll & Bute Valuation Joint Board as at 31 March 2019 and of its income and expenditure for the year then ended;

have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2018/19 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 the [Code of Audit Practice](#) approved by the Accounts Commission for Scotland. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I was appointed under arrangements approved by the Accounts Commission on 10 May 2019. This is the first year of my appointment. I am independent of the 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 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 nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where:

the use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

the Treasurer has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Dunbartonshire and Argyll & Bute Valuation Joint Board's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Risks of material misstatement

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

Responsibilities of the Treasurer and Joint Board for the financial statements

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

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

The Joint Board is responsible for overseeing the financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting 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. I therefore design and perform audit procedures which respond to the assessed risks of material misstatement due to fraud.

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. This description forms part of my auditor's report.

Other information in the annual accounts

The Treasurer is responsible for the other information in the annual accounts. The other information comprises the information other than the financial statements, the audited part of the Remuneration Report, and my auditor's report thereon. 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 matters prescribed by the Accounts Commission to the extent explicitly stated later in this report.

In connection with my audit of the financial statements, my responsibility is to read all the other information in the annual accounts and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

Report on other requirements

Opinions on matters prescribed by the Accounts Commission

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

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 are set out in my Annual Audit Report.

Use of my report

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

Richard Smith
Audit Scotland
4th Floor
8 Nelson Mandela Place
Glasgow
G2 1BT

September 2019

DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD

Report by Treasurer

Valuation Joint Board: 25 September 2019

Subject: Audit Scotland's Annual Audit Report to Members and the Controller of Audit.

1. Purpose of Report

- 1.1** The purpose of this report is to advise Members of Audit Scotland's Annual Audit Report to Members and the Controller of Audit 2018/19.

2. Background

- 2.1** Audit Scotland has finalised their audit of the Joint Board's 2018/19 Annual Accounts.
- 2.2** The final version of the Annual Accounts has been submitted to Members elsewhere in the agenda. This revision takes account of all the agreed amendments to date. It is not anticipated that there will be any further changes, prior to receiving the signed audit certificate.
- 2.3** Audit Scotland is required to report to Members at the conclusion of their audit and their Annual Audit Report to Members and the Controller of Audit is appended.

3. Main Issues

- 3.1** Audit Scotland has confirmed that there are no key matters arising during the audit of the Annual Accounts.
- 3.2** This Annual Audit Report to Members and the Controller of Audit includes:
- (a) Key messages (page 4);
 - (b) Information on the audit of the financial statements (pages 7 to 9);
 - (c) Financial management and sustainability (pages 10 to 14);
 - (d) Governance and transparency (pages 15 to 17); and
 - (e) Best value (pages 18 and 19).
- 3.3** There are four recommendations identified in the report for further action which are highlighted in Appendix 1 - Action Plan on pages 15 to 16 of the auditor's report.

4. Conclusion and Recommendation

- 4.1** Members are requested to consider the issues raised in this report and the attached report from the Board's external auditors.

Stephen West
Treasurer

Date: 17 September 2019

Person to Contact: Gillian McNeilly, Finance Manager
West Dunbartonshire Council
Telephone (01389) 737194
E-mail: gillian.mcneilly@west-dunbarton.gov.uk

Appendix: Audit Scotland's Annual Audit Report to Members and the Controller of Audit (September 2019).

ISA260 Covering Letter.

Dunbartonshire and Argyll & Bute Valuation Joint Board

2018/19 Annual Audit Report



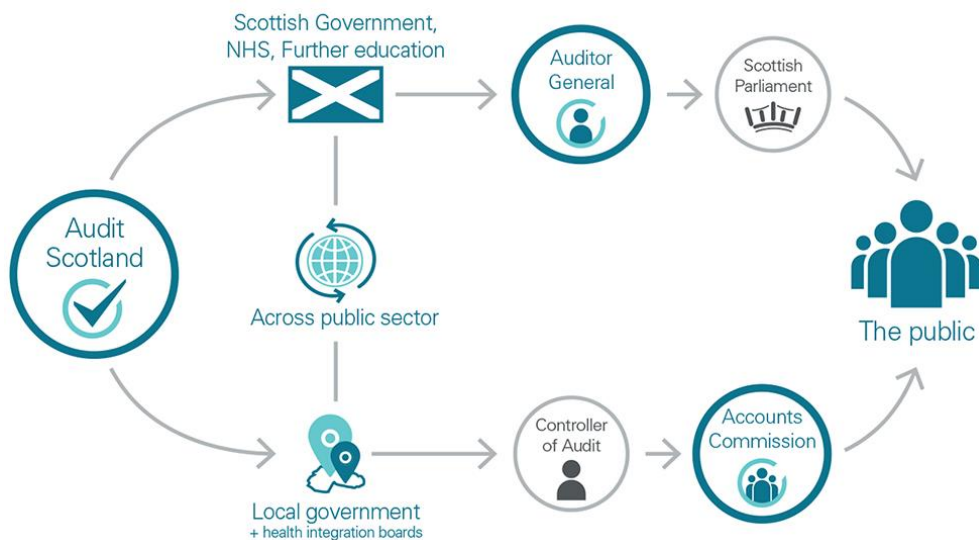
 AUDIT SCOTLAND

Prepared for the Dunbartonshire and Argyll & Bute Valuation Joint Board and the Controller of Audit
25 September 2019

Who we are

The Auditor General, the Accounts Commission and Audit Scotland work together to deliver public audit in Scotland:

- The Auditor General is an independent crown appointment, made on the recommendation of the Scottish Parliament, to audit the Scottish Government, NHS and other bodies and report to Parliament on their financial health and performance.
- The Accounts Commission is an independent public body appointed by Scottish ministers to hold local government to account. The Controller of Audit is an independent post established by statute, with powers to report directly to the Commission on the audit of local government.
- Audit Scotland is governed by a board, consisting of the Auditor General, the chair of the Accounts Commission, a non-executive board chair, and two non-executive members appointed by the Scottish Commission for Public Audit, a commission of the Scottish Parliament.



About us

Our vision is to be a world-class audit organisation that improves the use of public money.

Through our work for the Auditor General and the Accounts Commission, we provide independent assurance to the people of Scotland that public money is spent properly and provides value. We aim to achieve this by:

- carrying out relevant and timely audits of the way the public sector manages and spends money
- reporting our findings and conclusions in public
- identifying risks, making clear and relevant recommendations.

Contents

| | |
|--|----|
| Key messages | 4 |
| Introduction | 5 |
| Part 1 Audit of 2018/19 annual accounts | 7 |
| Part 2 Financial management and sustainability | 12 |
| Appendix 1 Action plan 2018/19 | 16 |
| Appendix 2 Significant audit risks identified during planning | 18 |
| Appendix 3 Summary of national performance reports 2018/19 | 20 |

Key messages

2018/19 annual accounts

- 1** The financial statements of Dunbartonshire and Argyll & Bute Valuation Joint Board (DABVJB) give a true and fair view of its financial position for the year ended 31 March 2019.
- 2** The audited part of the remuneration report, management commentary and annual governance statement are all consistent with the financial statements and prepared in accordance with relevant regulations and guidance.
- 3** We have issued an unqualified independent auditor's report on the Annual Accounts for 2018/19.

Financial management and sustainability

- 4** While the DABVJB achieved financial balance in 2018/19, a funding gap of £162,000 is projected in 2019/20 to be met from reserves. It is recommended that financial plans for future years consider other funding solutions and that the balance held in reserves is closely monitored.
- 5** Implementing the recommendations of the Barclay Review will place an additional strain on the resources of the Joint Board.

Introduction

1. This report summarises the findings from our 2018/19 audit of the Dunbartonshire and Argyll & Bute Valuation Joint Board (DABVJB).

2. We aim to add value to the DABVJB through the audit by:

- identifying and providing insight on significant risks, and making clear and relevant recommendations for improvements
- reporting our findings and conclusions in public
- sharing intelligence and good practice through our national reports ([Appendix 3](#)) and good practice guides, and
- providing clear and focussed conclusions on the appropriateness, effectiveness and impact of corporate governance, performance management arrangements and financial sustainability.

Scope of our audit

3. The scope of our audit was set out in our [Annual Audit Plan](#) presented to the meeting of the Joint Board on 1 March 2019. This report comprises the findings from:

- the audit of the DABVJB annual accounts, including the issue of an independent auditor's report setting out our opinions, and
- our consideration of the financial management and financial sustainability of the DABVJB.

Ethical considerations

4. We confirm that we comply with the Financial Reporting Council's Ethical Standard. We can also confirm that we have not undertaken any non-audit related services and therefore the 2018/19 audit fee of £7,320 as set out in our Annual Audit Plan, remains unchanged. We are not aware of any relationships that could compromise our objectivity and independence.

Responsibilities and reporting

5. The DABVJB has primary responsibility for ensuring the proper financial stewardship of public funds. This includes preparing annual accounts that are in accordance with proper accounting practices.

6. The DABVJB is also responsible for compliance with legislation, and putting arrangements in place for governance, propriety and regularity that enable it to successfully deliver its objectives.

7. Our responsibilities as independent auditor appointed by the Accounts Commission are established by the Local Government in Scotland Act 1973, the [Code of Audit Practice 2016](#) and supplementary guidance and International Standards on Auditing in the UK.

8. As public-sector auditors we give independent opinions on the annual accounts. The [Code of Audit Practice 2016](#) includes provisions relating to the audit of small bodies. Where the application of the full wider audit scope is judged by auditors not to be appropriate to an audited body then the annual audit work can focus on the

appropriateness of the disclosures in the governance statement and the financial management and sustainability of the body and its services. As highlighted in our 2018/19 Annual Audit Plan, due to the volume and lack of complexity of the financial transactions, we applied the small body provisions of the Code to the 2018/19 audit of DABVJB.

9. Further details of the respective responsibilities of management and the auditor can be found in the [Code of Audit Practice 2016](#).

10. The weaknesses or risks identified are only those which have come to our attention during our normal audit work and may not be all that exist. Communicating these does not absolve management from its responsibility to address the issues we raise and to maintain adequate systems of control.

11. An agreed action plan is included at [Appendix 1](#) setting out specific recommendations, responsible officers and dates for implementation. It also includes outstanding actions from last year and progress against these.

12. This report is addressed to both the Joint Board and the Controller of Audit and will be published on Audit Scotland's website: www.audit-scotland.gov.uk

Acknowledgement

13. We would like to thank all management and staff for their cooperation and assistance during the audit.

Part 1

Audit of 2018/19 annual accounts



Main judgements

The financial statements of Dunbartonshire and Argyll & Bute Valuation Joint Board (DABVJB) give a true and fair view of its financial position for the year ended 31 March 2019.

The audited part of the remuneration report, management commentary and annual governance statement are all consistent with the financial statements and prepared in accordance with relevant regulations and guidance.

We have issued an unqualified independent auditor's report on the Annual Accounts for 2018/19.

Audit opinions on the annual accounts

14. The annual accounts for DABVJB for the year ended 31 March 2019 were approved by the Joint Board on 25 September 2019. We reported, within our independent auditor's report our opinion that:

- the financial statements give a true and fair view and were properly prepared, and
- the audited part of the remuneration report, management commentary and the annual governance statement were all consistent with the financial statements, and properly prepared in accordance with the relevant regulations and guidance.

15. We have nothing to report in respect of misstatements in the information accompanying the financial statements, the adequacy of accounting records, or the information and explanations we received during the audit.

Dunbartonshire and Argyll & Bute Valuation Joint Board's annual accounts are the principal means by which it accounts for the stewardship of resources and its performance in the use of those resources.

Submission of annual accounts for audit

16. We received the unaudited annual accounts on 31 May 2019 which was in advance of the agreed audit timetable set out in our 2018/19 Annual Audit Plan.

17. The unaudited annual accounts provided for audit were complete and of a good standard, and finance and other staff provided excellent support to the audit team which helped ensure the final accounts audit process ran smoothly.

Risks of material misstatement

18. [Appendix 2](#) provides a description of those assessed risks of material misstatement in the annual accounts and any wider audit dimension risks that were identified during the audit planning process. It also summarises the work we have done to gain assurance over the outcome of these risks.

19. We have no issues to report from our work on the risks of material misstatement highlighted in our 2018/19 Annual Audit Plan.

Materiality

20. Materiality can be defined as the maximum amount by which auditors believe the financial statements could be misstated and still not be expected to affect the perceptions and decisions of users of the financial statements. The assessment of what is material is a matter of professional judgement. A misstatement or omission, which would not normally be regarded as material by value, may be important for other reasons (for example, an item contrary to law). In forming our opinion on the financial statements, we assess the materiality of uncorrected misstatements, both individually and collectively.

21. Our initial assessment of materiality for the financial statements was undertaken during the planning phase of the audit and was based on the gross expenditure reported in the 2017/18 audited annual accounts. These levels were reported in our Annual Audit Plan presented to the Joint Board 1 March 2019.

22. On receipt of the unaudited annual accounts we recalculated our materiality levels based on the actual gross expenditure for the year ended 31 March 2019. Our final materiality levels are summarised in [Exhibit 1](#).

Exhibit 1 Materiality levels

| Materiality level | Amount |
|--|---------|
| Overall materiality - This is the calculated figure we use in assessing the overall impact of audit adjustments on the financial statements. It has been set at 1.5% of gross expenditure for the year ended 31 March 2019. | £44,000 |
| Performance materiality - This acts as a trigger point. If the aggregate of errors identified during the financial statements audit exceeds performance materiality this would indicate that further audit procedures should be considered. Using our professional judgement, we have calculated performance materiality at 60% of overall materiality. | £35,000 |
| Reporting threshold - We are required to report to those charged with governance on all unadjusted misstatements in excess of the 'reporting threshold' amount. This has been calculated at 3% of overall materiality. | £1,700 |

Source: Audit Scotland

Significant findings from the audit (ISA 260)

23. International Standard on Auditing (UK) 260 requires us to communicate significant findings from the audit to those charged with governance, including our view about the qualitative aspects of the body's accounting practices covering accounting policies, accounting estimates and financial statements disclosures.

24. The significant findings are summarised in [exhibit 2](#).

Exhibit 2

Significant findings from the audit of the financial statements

| Finding | Resolution |
|---|---|
| <p>1. Software licences</p> <p>The unaudited accounts included intangible assets with a carrying value £2,177 for software licenses dating back to 2014/15 and 2015/16. During the audit we established that these licenses had been added to the asset register with an asset life of 5 years rather than the actual length of the license. As the period covered by the licenses had ended we requested that the carrying value of these assets was written down to zero.</p> | <p>The audited annual accounts have been amended to reduce the value of intangible assets in the balance sheet by £2,177 and to increase the depreciation, amortisation & impairment charge to the comprehensive income and expenditure statement by £2,177. This adjustment increased the net liabilities reported in the balance sheet by £2,177.</p> |
| <p>2. Revised pension liability</p> <p>Two distinct legal rulings, affecting Local Government Pension Schemes, have impacted upon the pension liability at 31 March 2019 disclosed in the Joint Board's accounts.</p> <p>The first of these was the Guaranteed Minimum Pension case which related to sex discrimination on guaranteed minimum pension rights.</p> <p>The other ruling was the McCloud case challenging age discrimination on pension scheme transitional protection.</p> <p><i>Further details on both of these cases is included in the 'Impact of legal rulings on pension liability' section at paragraphs 27-33 below.</i></p> | <p>As these rulings had a material impact on the pension liability at 31 March 2019, management obtained a revised actuarial report and made an adjustment to the audited accounts to reflect the revised pension liability figure. This resulted in the pension liability figure in the balance sheet, and the deficit on provision of services figure in the comprehensive income and expenditure statement, both increasing by £396,000.</p> |

How we evaluate misstatements

25. There were no material adjustments to the unaudited financial statements arising from our audit and the misstatement of £2,177 (issue 1 in [exhibit 2](#)) was the only error which exceeded our reporting threshold of £1,700. It is our responsibility to request that all misstatements above the reporting threshold are corrected and management has amended this in the audited financial statements.

Other issues

Minor audit changes

26. Our audit identified a number of presentational and disclosure issues which were discussed with management. These were adjusted and reflected in the audited annual accounts.

Impact of legal rulings on pension liability

27. Two distinct legal rulings, affecting Local Government Pension Schemes, have impacted upon the pension liability at 31 March 2019 disclosed in the Joint Board's accounts.

Guaranteed Minimum Pension (GMP) case relating to sex discrimination on guaranteed minimum pension rights

28. Contracting out of the state earnings related pension scheme (SERPS) became possible in April 1978. This provided for reduced employer and employee National Insurance contributions in return for members receiving a GMP from an occupational pension scheme. GMPs are discriminatory in various ways. For example, they are payable at 60 for female members and 65 for male members and they are built up at different rates, reflecting the earlier payment age for women.

29. In October 2018 the High Court (England) held that pension schemes must equalise the discriminatory effects of GMPs. The Court's judgement will be applicable across all affected public sector defined benefit pension schemes. An interim method of calculating costs in respect of persons retiring from April 2016 and April 2021 has been agreed. However, the issue is a long standing one and the many complexities of dealing with it have meant that there is, as yet, no agreed solution to calculating the liabilities of pension schemes.

30. The assessed impact of this ruling on the pension liability of the Joint Board was not reflected in the *IAS19 – Employee Benefits* report provided by the actuary, Hymans Robertson, which was used in preparation of the unaudited accounts. Management therefore obtained a revised IAS19 actuarial report reflecting the impact of this ruling and made the required adjustment in the audited accounts.

McCloud case challenging age discrimination on pension scheme transitional protection

31. In March 2011 the Independent Public Services Pension Commission published a review of Public Sector Pensions, the Hutton Report. It recommended wholesale public sector pension reform in order to place public sector pensions on a more sustainable footing. The Government largely accepted the recommendations of the report and enacted pension reforms through the Public Service Pensions Act 2013. The main changes introduced were that:

- pensions are now based on career average earnings rather than final salary
- retirement ages have been aligned with state pension eligibility age, and
- rates of the annual accrual of pension benefits have changed.

32. The reforms included transitional protection for scheme members approaching retirement age. In December 2018, the Court of Appeal ruled that the transitional protection provided to some members of the judiciary and fire fighters schemes amounted to unlawful age discrimination. On 28 June this judgement was upheld by the Supreme Court. Although this (McCloud) case related to specific schemes the principle also applies to Local Government Pension Schemes which have made similar changes.

33. Due to the timing of the Supreme Court ruling, the assessed impact of this case on the pension liability of the Joint Board was not reflected in the *IAS19 – Employee Benefits* report provided by the actuary, Hymans Robertson, which was used in preparation of the unaudited accounts. Management therefore obtained a revised IAS19 actuarial report reflecting the impact of this ruling and made the required adjustment in the audited accounts.

Good Practice

The management commentary in the 2018/19 accounts provides readers of the accounts with a clear summary of the Joint Board's annual performance across the 3 statutory functions: NDR, Council Tax and Electoral Registration. This includes tables and graphs showing performance against target, and trend analysis over time, across the three local authority areas served by DABVJB. The Assessor has advised that they intend to further improve the management commentary in future years to make the accompanying narrative more concise and include national performance comparators where available.

Going concern

34. The financial statements of DABVJB have been prepared on the going concern basis. No issues were identified with the assessment of going concern.

Follow up of prior year recommendations

35. The DABVJB has made good progress in implementing our prior year audit recommendations. For the ongoing action reported in 2017/18, an update on the current position is set out in [Appendix 1](#).

Objections

36. The Local Authority Accounts (Scotland) Regulations 2014 require a local authority to publish a public notice on its website that includes details of the period for inspecting and objecting to the accounts. This must remain on the website throughout the inspection period. DABVJB complied with the regulations. There were no objections to the accounts.

Part 2

Financial management and sustainability



Main judgements

While the DABVJB achieved financial balance in 2018/19, a funding gap of £162,000 is projected in 2019/20 to be met from reserves. It is recommended that financial plans for future years consider other funding solutions and that the balance held in reserves is closely monitored.

Implementing the recommendations of the Barclay Review will place an additional strain on the resources of the Joint Board.

Budgetary monitoring and control

37. Budgets are approved by the Joint Board and budget monitoring updates are provided at each meeting of the board. The budget monitoring updates provide details on variances against the budget and forecast year-end positions. This allows members and officers to consider actions to mitigate projected over-spends.

Financial performance in 2018/19

38. In March 2018 the DABVJB approved its budget for 2018/19. This included expenditure of £2.832 million and income was £2.676 million, primarily relating to funding contributions from Argyll & Bute Council, East Dunbartonshire Council and West Dunbartonshire Council of £2.611 million. This resulted in a forecast funding gap of £0.157 million to be met from a transfer from usable reserves.

39. Actual outturn for the year was expenditure of £2.685 million (£0.147 million less than budget) and income of £2.686 million (£0.010 million more than budgeted). This resulted in a surplus of £1,000 for the year and no transfer from reserves was required during the year. The main elements contributing to this underspend were lower than anticipated employee costs (£0.059 million), supplies and services expenditure (£0.049 million) and property costs (£0.026 million).

40. It should be noted that the surplus of £1,000 reported in the management commentary differs from the deficit of £0.756 million reported in the Comprehensive Income and Expenditure Statement (CIES) due to the statutory accounting adjustments required for items such as pension benefits and depreciation. A reconciliation has been included in the 'Financial Performance' section of the management commentary in the annual accounts showing the impact of these adjustments.

Financial planning for 2019/20

41. The budget set for 2019/20 included expenditure of £2.898 million and income of £2.736 million, comprising funding contributions of £2.611 million from the constituent councils and anticipated Scottish Government funding of £0.125 million to implement the recommendations of the Barclay Review (see paragraphs 48-52 for details). This resulted in a forecast funding gap of £0.162 million to be met from a transfer from usable reserves.

Financial management is about the financial capacity and budgetary processes of the Joint Board while financial sustainability looks forward to the medium and longer term to consider whether the body is planning effectively to continue to deliver its services in the future.

42. The 2019/20 budget also included a range of planned efficiency savings to offset increasing costs. These include reducing staff numbers and managerial structures, and, where vacancies arise, replacing qualified staff with trainees. Management should ensure that any impact of these staffing changes is carefully managed to minimise the impact on operations.



[Recommendation 1 \(Appendix 1 - Action Plan\)](#)

Medium to long term financial planning

43. In June 2018, the DABVJB approved a Service Plan for 2018-2021 which reflected the strategic aims, and operational and legislative requirements of the organisation over that period.

44. The DABVJB also updated their Financial Strategy which includes a high level financial plan and indicative budgets, presenting a number of scenarios over a 10 year period. This is a positive step in aiding the DABVJB to identify savings and efficiencies moving forward.

45. We noted that in each year of the plan the DABVJB is required to achieve efficiency savings to balance its budget with the budget gap projected to be £0.292 million in 2020/21 and £0.441 million in 2021/22. In recent years, the DABVJB has had a good track record in achieving its savings targets, however, achieving future savings targets will be a challenge. It should also be noted that the use of reserves to balance the annual budget will not be sustainable in the longer-term.



[Recommendation 2 \(Appendix 1 - Action Plan\)](#)

46. A member/officer short-life working group has been established to consider the options available to address the structural funding gap. It is planned for this group to meet again in December 2019, with a view to informing the budget setting process for 2020/21 and beyond. In the meantime, it is planned for services to continue to be reviewed with a view to achieving further efficiencies. The DABVJB is proactively working towards reducing budget deficits and identifying savings, where possible.

47. The DABVJB is facing medium to long-term financial challenges, however, it is taking a proactive approach towards financial sustainability.

The Barclay Review

48. The recommendations from the Barclay review of non-domestic rates could have far reaching implications on the Joint Board. This recommends that Assessors across Scotland should provide more transparency and consistency of approach.

49. The Barclay Review recommended a number of changes to the rating system which will impact on the operations of the DABVJB. The recommendation to move to three-yearly revaluation cycles (from the current position of five years) has been accepted by the Scottish Government and represents the most significant change for Assessors. It will have a major impact on the Assessors' resources, requiring structural changes to manage the information gathering, valuation and appeal stages within a reduced timeframe.

50. In February 2019 the Minister for Public Finance and Digital Economy announced the outcome of the consultation exercise undertaken, and confirmed the provisions that would be included in the draft Non-Domestic Rates (Scotland) Bill. On 25 March 2019 the Scottish Government introduced the bill, with further secondary legislation planned to implement the detail of the bill.

51. As many of the details of the forthcoming legislation are not yet known, it remains difficult to fully assess the specific consequences of the legislation. However, it is clear that delivery of three-yearly revaluations, and the various other miscellaneous changes, can only be achieved through investment in people and development of ICT systems.

52. The DABVJB has established an internal NDR Reform Project Team, which will establish a project plan and risk register(s) for delivery of three-yearly revaluations, appeals system reform and all Barclay recommendations taken forward.



[Recommendation 3 \(Appendix 1 - Action Plan\)](#)

EU Withdrawal

53. There remains significant uncertainty surrounding the terms of the UK's withdrawal from the European Union (EU). EU withdrawal will inevitably have implications for devolved government in Scotland and for audited bodies. It is critical that public sector bodies are working to understand, assess and prepare for the impact on their business in three broad areas:

- Workforce – the extent to which potential changes to migration are likely to affect the availability of the people and skills needed to deliver services.
- Funding – the extent to which potential changes to existing EU funding programmes are likely to affect the finances of public bodies and the activity that such funding supports.
- Regulation – the extent to which potential changes to EU regulations are likely to affect the activities of some public bodies.

54. An assessment of the risks associated with the UK's withdrawal from the EU as originally scheduled on 29 March 2019 was carried out by the Joint Board in December 2018. This identified risks or uncertainties arising from the planned withdrawal, managing and mitigating these where required. This included: communicating with staff about the potential impact of EU withdrawal, considering long-term workforce planning implications, effects on service delivery and any financial or regulatory risks.

55. The Management Team concluded that the risks to the Joint Board were generally low and could be managed or mitigated. The subsequent extensions to the UK's membership did introduce the need for the UK to take part in elections to the European Parliament on 23 May 2019. This was an additional burden on the registration service, however this was managed within existing resources.

56. There clearly remains uncertainty as to the detail behind the UK's withdrawal from the EU. However, in our view, the DABVJB has taken reasonable action to prepare for the impact of the UK's withdrawal from the EU. As part of our 2019/20 audit, we will continue to monitor the body's preparations for, and response to, EU withdrawal.

Dependency on key suppliers

57. The collapse of Carillion has had a significant impact across the public sector. This has brought into focus the risk of key supplier failure and underperformance of suppliers that are experiencing difficult trading conditions. As part of our 2018/19 audit we assessed the arrangements in place at the DABVJB to mitigate the financial and operational risks of the collapse of a key supplier.

58. Due to the nature of the Joint Board's operations their exposure to the risks associated with the collapse of a key supplier are lower than many other public sector organisations. However, the DABVJB have identified its reliance on the electoral management system, as well as printing and mail contractors, as being

critical to the day-to-day operation of the organisation. Management advised of the business continuity arrangements in place to mitigate any short-term risks and advised that, in the medium to longer-term, there are a number of competitor companies which could provide similar services to the DABVJB if required.

59. Based on our discussions with management, and our understanding of the key suppliers of the Joint Board, we are satisfied that appropriate risk management and business continuity arrangements are in place.

Appendix 1

Action plan 2018/19



| No. | Issue/risk | Recommendation | Agreed management action/timing |
|-----|---|--|--|
| 1 | <p>Delivery of 2019/20 efficiency savings</p> <p>The 2019/20 budget includes a range of planned efficiency savings to off-set increasing costs. These include reducing staff numbers and managerial structures, and, where vacancies arise, replacing qualified staff with trainees.</p> <p>Risk: There is a risk that the delivery of the planned efficiency savings will have a detrimental effect on operational activity.</p> | <p>Management should ensure that any impact of these staffing changes is carefully managed to minimise the impact on operations.</p> <p>Paragraphs 41 and 42</p> | <p>Future budget reports to the Board will continue to be clear on any risks to the performance of the service</p> <p>Responsible officer: Treasurer</p> <p>Agreed date: 31 March 2020</p> <p>Performance across all areas of operation will continue to be monitored and reported to the Board</p> <p>Responsible officer: Assessor and ERO</p> <p>Agreed date: Ongoing</p> |
| 2 | <p>Financial sustainability</p> <p>As in prior years, it is anticipated that net expenditure will exceed constituent contributions for 2019/20. The Board is budgeting to use £162,000 from reserves.</p> <p>Risk: There is a risk in routinely planning to use reserves to balance the budget. This could result in insufficient levels of reserves being maintained in the longer term if recurring cost efficiencies are not identified or funding levels are not increased.</p> | <p>The joint board should ensure that financial plans for future years consider other funding solutions and that the balance held in reserves is closely monitored.</p> <p>Paragraph 43-47</p> | <p>Future budget reports will continue to provide the Board with information on potential funding solutions</p> <p>Responsible officer: Treasurer</p> <p>Agreed date: 31 March 2020</p> |



| No. | Issue/risk | Recommendation | Agreed management action/timing |
|-----|---|--|---|
| 3 | <p>Barclay review on NDR</p> <p>The Barclay Review recommended a number of changes to the rating system which will impact on the operations of DABVJB.</p> <p>Risk: The change to three yearly revaluations will increase the workload of the DABVJB and there is a risk that there will be insufficient resources to meet the operational needs of the Joint Board. A significant investment in people and development of ICT systems is required.</p> | <p>The Joint Board should ensure that the project plan and risk register for delivery of 3-yearly revaluations, appeals system reform and all Barclay recommendations are developed and used moving forward to manage the resultant changes from the Barclay Review.</p> <p>Paragraphs 48-52</p> | <p>Future budget reports will continue to provide the Board with information on potential funding solutions</p> <p>Responsible officer: Treasurer</p> <p>Agreed date: 31 March 2020</p> |

Follow up of prior year recommendation

| | | | |
|---|--|--|---|
| 4 | <p>VER/VS exercise</p> <p>Expressions of interest in Voluntary Early Release and Voluntary Severance are being sought in 2018/19.</p> <p>Risk: There is a risk that service delivery is adversely impacted as consequence of staff being released.</p> | <p>Whilst considering the potential efficiencies derived from the VER/VS exercise, DABVJB should ensure that service delivery requirements continue to be met.</p> | <p>Two employees who expressed an interest in VER, had their applications rejected after a cost/benefit analysis was undertaken. Any future interest will be fully considered by the DABVJB, and its effect on service delivery, before any decisions are made.</p> <p>Responsible officer: Assessor and ERO</p> <p>Agreed date: Ongoing.</p> |
|---|--|--|---|

Appendix 2

Significant audit risks identified during planning

The table below sets out the audit risks we identified during our planning of the audit and how we addressed each risk in arriving at our conclusion. The risks are categorised between those where there is a risk of material misstatement in the annual accounts and those relating our wider responsibility under the [Code of Audit Practice 2016](#).

| Audit risk | Assurance procedure | Results and conclusions |
|---|--|--|
| Risks of material misstatement in the financial statements | | |
| 1 Risk of management override of controls ISA 240 requires that audit work is planned to consider the risk of fraud, which is presumed to be a significant risk in any audit. This includes consideration of the risk of management override of controls to change the position disclosed in the financial statements. | <ul style="list-style-type: none"> Detailed testing of journal entries. Review of accounting estimates. Focused testing of accruals and prepayments. Evaluation of significant transactions that are outside the normal course | Our audit procedures did not uncover evidence of management override of controls. |
| 2 Risk of fraud over expenditure Most public sector bodies are net expenditure bodies and therefore the risk of fraud is more likely to occur in expenditure. | <ul style="list-style-type: none"> Analytical procedures on expenditure streams. Detailed testing of expenditure transactions, focusing on the areas of greatest risk. | Our audit procedures did not uncover evidence of fraud over expenditure. |
| 3 Estimation and judgements There is a significant degree of subjectivity in the measurement and valuation of the material account areas of non-current assets and IAS 19. This subjectivity represents an increased risk of misstatement in the financial statements. IAS 19 – Employee Benefits requires all organisations to disclose information on pension liabilities in their financial statements. Due to significant fluctuations in the stock market in 2018, a material difference was noted between the estimated and actual pension asset figures last year. There is a risk this will reoccur in | <ul style="list-style-type: none"> Review the work completed by officers and obtain assurances received. Review actuarial reports when available. | We reviewed the work of the actuary and assessed the appropriateness of the actuarial assumptions. We confirmed that the pension valuations provided by the actuary were correctly reflected in the 2018/19 financial statements. However, a late revision to the pension valuations was required in respect of two legal rulings that impacted upon the pension liability of the Joint Board. This is reported at point 2 in exhibit 2 . |

| Audit risk | Assurance procedure | Results and conclusions |
|---|--|---|
| 2018/19, particularly taking account of Brexit. | | |
| Risks identified from the auditor's wider responsibility under the Code of Audit Practice | | |
| <p>4 Financial sustainability</p> <p>Budget monitoring reports as at 3 January 2019 show that net expenditure will exceed constituent contributions for the 2018/19 financial year and beyond. Currently, reserves are being used to fill the budget gaps.</p> <p>There is a risk of insufficient levels of reserves being maintained in the longer-term.</p> <p>Furthermore, planned Voluntary Early Release and Voluntary Severance exercises were unsuccessful. As a result, there is increased pressure on management to find savings elsewhere.</p> | <ul style="list-style-type: none"> • Monitoring financial reports. • Review risk register. • Attend Joint Board meetings. | <p>We reviewed this during the audit and reported on it within this report.</p> <p>Paragraph 43-47</p> |
| <p>5 Barclay review on Non-Domestic Rates</p> <p>The recommendations from the Barclay review of non-domestic rates could have far reaching implications. The change to three yearly revaluations from 2022 will increase the workload of DABVJB.</p> <p>There is a risk that there will be insufficient resources to meet the increased operational needs.</p> | <ul style="list-style-type: none"> • Review project plan once available. • Ongoing discussions with key client staff. | <p>We reviewed this during the audit and reported on it within this report.</p> <p>Paragraphs 48-52</p> |

Appendix 3

Summary of national performance reports 2018/19

2018/19 Reports

Local government in Scotland:
Challenges and performance 2018



Apr

Councils' use of arm's-length
organisations



May



Scottish Fire and Rescue Service:
an update

Scotland's colleges 2018



Jun

Jul



The National Fraud Initiative
in Scotland 2016/17

Forth Replacement Crossing



Aug



Major project and procurement lessons

Children and young people's
mental health



Sept



Superfast broadband for Scotland:
further progress update

NHS in Scotland 2018



Oct

Health and social care integration:
update on progress



Nov



Local government in Scotland:
Financial overview 2017/18

Dec

Jan

Feb

Mar



Local government in Scotland:
Challenges and performance 2019

Dunbartonshire and Argyll & Bute Valuation Joint Board

If you require this publication in an alternative format and/or language, please contact us to discuss your needs: 0131 625 1500 or info@audit-scotland.gov.uk

For the latest news, reports and updates, follow us on:



Audit Scotland, 4th Floor, 102 West Port, Edinburgh EH3 9DN
T: 0131 625 1500 E: info@audit-scotland.gov.uk
www.audit-scotland.gov.uk

Dunbartonshire and Argyll & Bute Valuation Joint Board meeting – 25 September 2019

Dunbartonshire and Argyll & Bute Valuation Joint Board Audit of 2018/19 annual accounts

Independent auditor's report

1. Our audit work on the 2018/19 annual accounts is now substantially complete and we anticipate being able to issue unqualified audit opinions in the independent auditor's report on 25 September 2019 (the proposed report is attached at **Appendix A**).

Annual audit report

2. Under International Standards on Auditing in the UK, we report specific matters arising from the audit of the financial statements to those charged with governance of a body in sufficient time to enable appropriate action. We present for the Joint Board's consideration our draft annual report on the 2018/19 audit. The section headed "Significant findings from the audit in accordance with ISA 260" sets out the issues identified in respect of the annual accounts.
3. The report also sets out conclusions from our consideration of the financial management and financial sustainability of the organisation.
4. This report will be issued in final form after the annual accounts have been certified.

Unadjusted misstatements

5. We also report to those charged with governance all unadjusted misstatements which we have identified during our audit, other than those of a trivial nature and request that these misstatements be corrected.
6. We have no unadjusted misstatements to be corrected.

Fraud, subsequent events and compliance with laws and regulations

7. In presenting this report to the Joint Board we seek confirmation from those charged with governance of any instances of any actual, suspected or alleged fraud; any subsequent events that have occurred since the date of the financial statements; or material non-compliance with laws and regulations affecting the entity that should be brought to our attention.

Representations from Section 95 Officer

8. As part of the completion of our audit, we are seeking written representations from the Section 95 Officer on aspects of the annual accounts, including the judgements and estimates made.
9. A template letter of representation is attached at **Appendix B**. This should be signed and returned to us by the Section 95 Officer with the signed annual accounts prior to the independent auditor's report being certified.

APPENDIX A: Proposed Independent Auditor's Report

Independent auditor's report to the members of Dunbartonshire and Argyll & Bute Valuation Joint Board and the Accounts Commission

Report on the audit of the financial statements

Opinion on financial statements

I certify that I have audited the financial statements in the annual accounts of Dunbartonshire and Argyll & Bute Valuation Joint Board for the year ended 31 March 2019 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the Comprehensive Income and Expenditure Statement, Movement in Reserves Statement, Balance Sheet, Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2018/19 (the 2018/19 Code).

In my opinion the accompanying financial statements:

- give a true and fair view in accordance with applicable law and the 2018/19 Code of the state of affairs of the Dunbartonshire and Argyll & Bute Valuation Joint Board as at 31 March 2019 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2018/19 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 the [Code of Audit Practice](#) approved by the Accounts Commission for Scotland. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I was appointed under arrangements approved by the Accounts Commission on 10 May 2019. This is the first year of my appointment. I am independent of the 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 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 nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where:

- the use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Treasurer has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Dunbartonshire and Argyll & Bute Valuation Joint Board's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Risks of material misstatement

I have reported in a separate Annual Audit Report, which is available from the [Audit Scotland website](#), the most significant assessed risks of material misstatement that I identified and my conclusions

thereon.

Responsibilities of the Treasurer and Joint Board for the financial statements

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

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

The Joint Board is responsible for overseeing the financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting 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. I therefore design and perform audit procedures which respond to the assessed risks of material misstatement due to fraud.

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. This description forms part of my auditor's report.

Other information in the annual accounts

The Treasurer is responsible for the other information in the annual accounts. The other information comprises the information other than the financial statements, the audited part of the Remuneration Report, and my auditor's report thereon. 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 matters prescribed by the Accounts Commission to the extent explicitly stated later in this report.

In connection with my audit of the financial statements, my responsibility is to read all the other information in the annual accounts and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Report on other requirements

Opinions on matters prescribed by the Accounts Commission

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

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 are set out in my Annual Audit Report.

Use of my report

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

Richard Smith CPFA
Audit Scotland
4th Floor
8 Nelson Mandela Place
Glasgow
G2 1BT

September 2019

APPENDIX B: Letter of Representation (ISA 580)

Richard Smith
Senior Audit Manager
Audit Scotland
4th Floor
8 Nelson Mandela Place
Glasgow
G2 1BT

25 September 2019

Dear Richard

Dunbartonshire and Argyll & Bute Valuation Joint Board Annual Accounts 2018/19

1. This representation letter is provided about your audit of the annual accounts of Dunbartonshire and Argyll & Bute Valuation Joint Board for the year ended 31 March 2019 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view in accordance with the financial reporting framework, and for expressing other opinions on the remuneration report, management commentary and annual governance statement.
2. I confirm to the best of my knowledge and belief and having made appropriate enquiries of the senior officers and the Board, the following representations given to you in connection with your audit of Dunbartonshire and Argyll & Bute Valuation Joint Board's annual accounts for the year ended 31 March 2019.

General

3. Dunbartonshire and Argyll & Bute Valuation Joint Board and I have fulfilled our statutory responsibilities for the preparation of the 2018/19 annual accounts. All the accounting records, documentation and other matters which I am aware are relevant to the preparation of the annual accounts have been made available to you for the purposes of your audit. All transactions undertaken by Dunbartonshire and Argyll & Bute Valuation Joint Board have been recorded in the accounting records and are properly reflected in the financial statements.
4. I confirm that the effects of uncorrected misstatements are immaterial, individually and in aggregate, to the financial statements as a whole. I am not aware of any uncorrected misstatements other than those reported by you.

Financial Reporting Framework

5. The annual accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2018/19 (2018/19 accounting code), and in accordance with the requirements of the Local Government (Scotland) Act 1973, the Local Government in Scotland Act 2003 and The Local Authority Accounts (Scotland) Regulations 2014.

6. In accordance with the 2014 regulations, I have ensured that the financial statements give a true and fair view of the financial position of the Dunbartonshire and Argyll & Bute Valuation Joint Board at 31 March 2019 and the transactions for 2018/19.

Accounting Policies & Estimates

7. All significant accounting policies applied are as shown in the notes to the financial statements. The accounting policies are determined by the 2018/19 accounting code where applicable. Where the code does not specifically apply I have used judgement in developing and applying an accounting policy that results in information that is relevant and reliable. All accounting policies applied are appropriate to Dunbartonshire and Argyll & Bute Valuation Joint Board's circumstances and have been consistently applied.
8. The significant assumptions used in making accounting estimates are reasonable and properly reflected in the financial statements. Judgements used in making estimates have been based on the latest available, reliable information. Estimates have been revised where there are changes in the circumstances on which the original estimate was based or as a result of new information or experience.

Going Concern Basis of Accounting

9. I have assessed Dunbartonshire and Argyll & Bute Valuation Joint Board's ability to continue to use the going concern basis of accounting and have concluded that it is appropriate. I am not aware of any material uncertainties that may cast significant doubt on Dunbartonshire and Argyll & Bute Valuation Joint Board's ability to continue as a going concern.

Assets

10. Where a rolling programme of asset valuations has been used, I have satisfied myself that the carrying amount of assets at 31 March 2019 does not differ materially from that which would be determined if a revaluation had been carried out at that date.
11. I carried out an assessment at 31 March 2019 as to whether there is any indication that an asset may be impaired and have recognised any impairment losses identified.
12. I have provided you with all information of which I am aware regarding any valuation exercises carried out after 31 March 2019.
13. There are no plans or intentions that are likely to affect the carrying value or classification of the assets recognised within the financial statements.
14. Owned assets are free from any lien, encumbrance or charge except as disclosed in the financial statements.

Liabilities

15. All liabilities at 31 March 2019 of which I am aware have been recognised in the annual accounts.
16. The accrual recognised in the financial statements for holiday untaken by 31 March 2019 has been estimated on a reasonable basis.

17. The pension assumptions made by the actuary in the IAS 19 report for Dunbartonshire and Argyll & Bute Valuation Joint Board have been considered and I confirm that they are consistent with management's own view.
18. There are no plans or intentions that are likely to affect the carrying value or classification of the liabilities recognised in the financial statements.

Fraud

19. I have provided you with all information in relation to:
 - my assessment of the risk that the financial statements may be materially misstated because of fraud
 - any allegations of fraud or suspected fraud affecting the financial statements
 - fraud or suspected fraud that I am aware of involving management, employees who have a significant role in internal control, or others that could have a material effect on the financial statements.

Laws and Regulations

20. I have not been required to disclose to you any instances of non-compliance or suspected non-compliance with laws and regulations, as I am not aware of any of these.

Related Party Transactions

21. All material transactions with related parties have been appropriately accounted for and disclosed in the financial statements in accordance with the 2018/19 accounting code. I have made available to you the identity of all the Dunbartonshire and Argyll & Bute Valuation Joint Board's related parties and all the related party relationships and transactions of which I am aware.

Remuneration Report

22. The Remuneration Report has been prepared in accordance with the Local Authority Accounts (Scotland) Amendment Regulations 2014, and all required information of which I am aware has been provided to you.

Management commentary

23. I confirm that the Management Commentary has been prepared in accordance with the statutory guidance and the information is consistent with the financial statements.

Corporate Governance

24. I confirm that the Dunbartonshire and Argyll & Bute Valuation Joint Board has undertaken a review of the system of internal control during 2018/19 to establish the extent to which it complies with proper practices set out in the Delivering Good Governance in Local Government: Framework 2016. I have disclosed to you all deficiencies in internal control identified from this review or of which I am otherwise aware.
25. I confirm that the Annual Governance Statement has been prepared in accordance with the Delivering Good Governance in Local Government: Framework 2016 and the information is consistent with the financial statements. There have been no changes in the corporate

governance arrangements or issues identified, since 31 March 2019, which require to be reflected.

Events Subsequent to the Date of the Balance Sheet

26. All events subsequent to 31 March 2019 for which the 2018/19 accounting code requires adjustment or disclosure have been adjusted or disclosed.

Yours sincerely

Stephen West
Treasurer

DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD

Report by Treasurer

Valuation Joint Board – 25 September 2019

Subject: Revenue & Capital Budgetary Control Report to 31 August 2019 (Period 5)

1. Purpose

- 1.1** The purpose of this report is to advise Members on the progress of both the revenue budget and the capital programme for 2019/20.

2. Background

2.1 Revenue

At the meeting of the Joint Board on 1 March 2019, Members agreed the revenue estimates for 2019/20. A total net budget of £2.898m was approved, funded from constituent contributions of £2.736m (which includes £0.125m for costs associated with the implementation of actions arising from the Barclay Review) and reserves of £0.162m.

- 2.2** At that meeting, the Board was provided with indicative budgets for 2020/21 and 2021/22 (cumulative budget gaps of £0.292m and £0.441m, respectively) and was also asked to note that a report would be presented to a future Board meeting, detailing options for future service efficiencies.

2.3 Capital

At the meeting of the Joint Board on 1 March 2019, Members agreed to fund the 2019/20 Capital Plan of £0.037m from constituent contributions and unapplied capital resources. Following the 2018/19 year-end capital expenditure of £0.017m was carried forward, resulting in an overall capital budget of £0.054m. This has been incorporated into this 2019/20 budgetary control report, resulting in a capital expenditure of £0.054m.

3. Main Issue

3.1 Revenue

The summary report attached as Appendix 1 highlights a favourable projected year end variance of £0.152m.

- 3.2** Although the report indicates a favourable variance, the present variance should be viewed in the knowledge that there are a number of variable factors which could arise between now and the 31 March 2020 and could affect the year end results.

- 3.3** Analysis of the main variances is showing in Appendix 2 of this report.

3.4 Capital

A summary sheet is attached (Appendix 3) which highlights projected spend on the programme is in line with the budget.

3.5 No variance analysis detail was required as no variances are projected over £0.010m.

4. Conclusion and Recommendation

4.1 Members are asked to:

- i) Note the favourable revenue variance of £0.152m (5% of the total budget);
- ii) Note the 2019/20 budgetary position of the capital account; and

.....
Stephen West
Treasurer
Date: 16 September 2019

Person to Contact: Gillian McNeilly, Finance Manager
 West Dunbartonshire Council
 Telephone (01389) 737194

Appendix 1 Revenue BCR Period 5
Appendix 2 Revenue Analysis Report
Appendix 3 Capital BCR Period 5

MONTH END DATE **31 August 2019**

PERIOD **5**

| REVISED ESTIMATE 2019/20 | DESCRIPTION | SPEND TO DATE | FORECAST SPEND 2017/18 | FORECAST VARIANCE | Variance % | STATUS |
|-----------------------------|---------------------------|------------------|---------------------------|----------------------|---------------|-------------------|
| £ 2,363,807 | EMPLOYEE COSTS | £ 926,003 | £ 2,241,043 | £ (122,764) | -5% | Favourable |
| 109,585 | PROPERTY COSTS | 20,422 | 108,630 | (955) | -1% | Favourable |
| 25,250 | SUPPLIES & SERVICES | 7,766 | 25,062 | (188) | -1% | Favourable |
| 7,320 | PAYMENT TO OTHER BODIES | - | 7,320 | - | 0% | Nil Variance |
| 385,512 | ADMINISTRATION COSTS | 119,784 | 385,012 | (500) | 0% | Favourable |
| 51,710 | OTHER EXPENDITURE | 7,647 | 51,710 | - | 0% | Nil Variance |
| 2,943,184 | GROSS EXPENDITURE | 1,081,622 | 2,818,777 | (124,407) | -4% | Favourable |
| 44,800 | GROSS INCOME | 68,234 | 72,028 | (27,228) | 61% | Favourable |
| 2,898,384 | NET EXPENDITURE | 1,013,388 | 2,746,749 | (151,635) | -5% | Favourable |
| 162,213 | BALANCES USED | | | | | |
| 2,736,171 | AUTHORITIES CONTRIBUTIONS | | | | | |

| | | |
|-------------------|------------------|------------|
| UNDERSPEND | (151,635) | -5% |
|-------------------|------------------|------------|

REVENUE BUDGETARY CONTROL 2019/2020

ANALYSIS FOR VARIANCES

MONTH END DATE

31 August 2019

PERIOD

5

| Budget Area | Budget | Spend to Date | % Spend to Date of Total Budget | Forecast Spend | Forecast Variance | | Status |
|----------------------------|---|---------------|---------------------------------|----------------|-------------------|------|--------|
| | £ | £ | % | £ | £ | % | |
| EMPLOYEE COSTS | 2,363,807 | 926,003 | 39% | 2,241,043 | (122,764) | -5% | ↑ |
| Variance Narrative | | | | | | | |
| Main Issues | The favourable variance is mainly in employee costs due to vacancies and a delay in filling vacancies. The employment of trainees will reduce from three to one. | | | | | | |
| Mitigating Action | The service is monitoring the effect on service delivery and the vacancies will continue to the year-end. | | | | | | |
| Anticipated Outcome | It is likely this budget will underspend by the year end. | | | | | | |
| GROSS INCOME | 44,800 | 68,234 | 152% | 72,028 | (27,228) | -61% | ↑ |
| Variance Narrative | | | | | | | |
| Main Issues | The level of the grant awarded to the Board is higher than anticipated. At the time of budget setting the amount awarded was uncertain due to the Cabinet Office phasing out this grant over a number of years and the timing of the confirmation of the grant, the level of reduction can't be accurately predicted. | | | | | | |
| Mitigating Action | Officers will continue to monitor the budget. | | | | | | |
| Anticipated Outcome | It is anticipated that the favourable variance will continue. | | | | | | |

MONTH END DATE

31 August 2019

PERIOD

5

| ORIGINAL 2019/20 BUDGET | 2018/19 YEAR END SLIPPAGE | REVISED 2019/20 BUDGET | DESCRIPTION | SPEND TO DATE | FORECAST SPEND | FORECAST VARIANCE | Variance % | STATUS |
|-------------------------------|---------------------------------|---------------------------|--|------------------|-------------------|----------------------|---------------|---------------------|
| £ 20,000 | £ 0 | £ 20,000 | PLANNED UPGRADE OF SERVERS | £ 0 | £ 20,000 | £ 0 | 0 | Nil Variance |
| 0 | 11,000 | 11,000 | FLEXI SYSTEM | 0 | 11,000 | 0 | 0 | Nil Variance |
| 0 | 3,200 | 3,200 | EROs DR SERVER | 0 | 3,200 | 0 | 0 | Nil Variance |
| 13,000 | 0 | 13,000 | EROs SERVER REPLACEMENT | 0 | 13,000 | 0 | 0 | Nil Variance |
| 3,800 | 2,935 | 6,735 | PC LAPTOP REFRESH | 6,673 | 6,735 | 0 | 0 | Nil Variance |
| 0 | 0 | 0 | UNEARMARKED BALANCES | 0 | 0 | 0 | 0 | Nil Variance |
| 36,800 | 17,135 | 53,935 | GROSS EXPENDITURE | 6,673 | 53,935 | 0 | 0 | Nil Variance |
| (8,035) | (17,135) | (25,170) | UNAPPLIED CAPITAL RECEIPTS CARRIED FORWARD | (2,935) | (25,170) | 0 | 0 | Nil Variance |
| (28,765) | 0 | (28,765) | AGREED LEVEL OF CONSTITUENT CONTRIBUTIONS | (3,738) | (28,765) | 0 | 0 | Nil Variance |
| (36,800) | (17,135) | (53,935) | GROSS INCOME | (6,673) | (53,935) | 0 | 0 | Nil Variance |
| 0 | 0 | 0 | PROJECTED FREE CAPITAL RECEIPTS CARRIED FORWARD | 0 | 0 | 0 | 0 | Nil Variance |

DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD

Report by Assessor & Electoral Registration Officer

Valuation Joint Board – 25 September 2019

Subject: Non-Domestic Rating and Council Tax Valuation Progress

1.0 Purpose

- 1.1 To advise members of the Joint Board of progress in relation to the Assessor's Non-Domestic Rating (NDR) valuation function.
- 1.2 To advise members of the progress in relation to disposal of 2017 Revaluation appeals.
- 1.3 To provide members with an update on progress in relation to Reform of the Non-Domestic rating system.
- 1.4 To advise members of the Joint Board of progress in relation to the Assessor's Council Tax valuation function.

2.0 Background

- 2.1 The Assessor is required to carry out a general Revaluation of all Non-Domestic properties normally every five years. A general Non-Domestic Revaluation took effect from 1st April 2017.
- 2.2 It has previously been reported to the Joint Board that, consequent to the Revaluation, 3,568 appeals against 3,460 subjects with a total rateable value of £252,557,705 were received by the statutory deadline.
- 2.3 Appeals against entries in the 2005 and 2010 Valuation Rolls remain outstanding and require to be disposed of.
- 2.4 The Assessor is required to maintain the Valuation Roll for his area by amending it to reflect a number of circumstances including physical changes to properties. Any such change to the Valuation Roll may be appealed by relevant parties.
- 2.5 In June 2019 it was reported to the Board that the Non-Domestic Rating (Scotland) Bill had been introduced to the Scottish Parliament in March 2019.
- 2.6 The Assessor is required to maintain the Council Tax Valuation List for his area by amending it to reflect new, altered and demolished properties. Additionally he must dispose of any proposals which are made against any entry in the Council Tax Lists.

3.0 Current Position

3.1 Non-Domestic Rating Valuation

3.1.1 2017 Revaluation

The momentum in disposing of Revaluations has, as a result of external factors, been variable in recent months. Notwithstanding that, by the end of August, 2,481 appeals, representing 69.5% of those submitted, have been disposed of to date, leaving 1,087 outstanding. The statutory date for Valuation Appeals Committees to have disposed of appeals is 31 December 2020.

3.1.2 2005 and 2010 Revaluation Cycle Appeals

Given the focus on 2017 appeals, there has only been limited progress in relation to appeals from previous revaluation cycles, with 57 remaining outstanding.

3.1.4 Maintenance of the Valuation Roll ('Running Roll')

In the financial year to date, 435 changes have been made to the Valuation Roll to reflect new, deleted and amended properties.

In that same period, 53 running roll appeals (i.e. those relating to maintenance of the valuation roll) have been received and 50 have been disposed of leaving 469 outstanding at the end of August. Outstanding running roll appeals will be disposed of in parallel with revaluation appeals, and in accordance with the statutory timetables for their disposal.

3.1.5 Non-Domestic Rates Reform

The Non-Domestic Rating (Scotland) Bill is coming towards the end of its Stage One Parliamentary scrutiny and is expected to be passed in early 2020 for partial implementation with effect from April 2020. In parallel, the Scottish Assessors Association continues to engage with government officials in respect of the detailed wording of some of the Bill's provisions.

A separate report on local planning and preparations for reform is presented to the Board today.

3.2 Council Tax Valuation

3.2.1 Maintenance of the Council Tax Valuation Lists

In the period from April to August 2019, 529 new dwellings were added to the Valuation List and 268 were deleted.

3.2.2 Council Tax Proposals and Appeals

Since April, 139 proposals to change property Bands have been received and 134 have been disposed of leaving 197 outstanding.

4.0 Recommendations

4.1 Members are asked to note:-

- (a) The progress in relation to disposal of Non-Domestic Rating appeals,
- (b) Progress in relation general maintenance of the Valuation Roll,
- (c) Progress in relation to the Non-Domestic Rating (Scotland) Bill,
- (d) Progress in relation general maintenance of the Council Tax List
- (e) Progress in relation to the disposal of Council Tax proposals and appeals,

Person to contact:

David Thomson (Assessor and ERO)

Tel: 0141 562 1260

E-mail: david.thomson@dab-vjb.gov.uk

DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD

Report by Assessor & Electoral Registration Officer

Valuation Joint Board – 25 September 2019

Subject: Non Domestic Rates Reform

1. Purpose

- 1.1. To provide the members of the Joint Board with an update on the current position in relation to the Non-Domestic Rates (Scotland) Bill and the wider Non Domestic Rates Reform changes arising from the Barclay Report.

2. Background

- 2.1. The Barclay Report on Non-Domestic Rates reported in August 2017. This report made a number of recommendations on changes to the Rating system. The Scottish Government undertook to enact most of the recommended reforms and in March 2019 The Scottish Government introduced the Non–Domestic Rates (Scotland) Bill. The Bill, if enacted, will have a significant impact on the duties of the Assessor. The Bill is currently at stage 1 of the legislative process and there is still scope for change before it comes into force, however some of the proposed changes are so fundamental and wide ranging that it is necessary to prepare for them. The Bill is expected to be enacted by April 2020 and the Regulations permitted by the Act are expected to be issued thereafter.

3. Current Position

- 3.1. The Bill, as introduced, has six main areas of change to the Assessor's duties. An internal NDR Reform Working Group has been established and will ensure that we are able to deliver the reforms. The Working Group has established a Risk Register and this is appended to this report for members' consideration.

Details of the six main areas of change are shown below:

- 3.2. Change from five yearly Revaluations to three yearly. The next Revaluation will be in 2022 and then 3 yearly.

| Implications | Dependencies | Timescale for Completion | Comes into force | Progress | RAG |
|--|---|--|---|--|-----|
| All Entries in the Valuation Roll to be Revalued | Local system development, Scottish Assessors Association (SAA) engagement. Information gathering and analysis, staffing. SG Regulations | Dependant on Valuation Roll Timetable Order / Government policy. Revaluation likely to require to be completed early | After Royal Assent but may also be subject to Regulations | Redevelopment of Valuation IT systems started early 2019 to allow for improved Revaluation process. Shops and Offices being tested September 2019, Industrial subjects due | RED |

| | | | | | |
|--|--|--------------------------------------|--|---|--|
| | may also need change to VR Timetable Order | Autumn of 2021 for Revaluation 2022. | | September / October 2019. Self Catering, Contractors basis subjects shootings and advertising subjects to be available by end of 2019. Information request forms being reviewed. SAA Revaluation 2022 Project Manager appointed | |
|--|--|--------------------------------------|--|---|--|

3.3. Addition of a New or Improved Property marker: A marker in the Valuation Roll where the entry is for newly built property or an improved property caused by a relevant increase (as defined). This marker will assist Local Authorities to identify properties that are eligible for New and Improved Property Relief. Details are to be provided in Regulations

| Implications | Dependencies | Timescale for Completion | Comes into force | Progress | RAG |
|--|--|--------------------------|--|--|-----|
| New Fields required within IT System. Data transfer file to billing authorities and Portal to be updated. Valuation Notices to be updated. Staff instructions, Potential for appeals | Scottish Government Regulations, may also require a change to Valuation Notice Order. Local system development. Billing Authority system development. Portal Data Transfer File changes. | Early Q1 2020 | To be confirmed by Regulation Possibly for April 2020. | Initial review of our current IT system undertaken | RED |

3.4. Change to the definition of what is exempt from the Valuation Roll within Parks. Currently many properties that are located in public parks are exempt from entry within the Valuation Roll. The proposed Bill seeks to change the definition of what may be exempt.

| Implications | Dependencies | Timescale for Completion | Comes into force | Progress | RAG |
|---|---|--|---|----------|-----|
| All public parks should be resurveyed and potential entries in the Valuation Roll identified and investigated | Information to be sought from Local Authorities, Ministers of the Crown or Government departments. Scottish Government Regulations. | Survey and Investigation to be completed by end of July 2020 | To be confirmed by Regulation Likely to be 2022 Revaluation | | RED |

3.5. Valuation Notices – To be confirmed by Regulation but it is expected that information on comparisons used in the valuation of a property should be made available. It has yet to be confirmed if this information is to be issued with Revaluation Notices or be made available on-line and whether it is for all properties in the Roll or only those valued on rental evidence. Also allows the Assessor to send notices electronically if agreed by the ratepayer.

| Implications | Dependencies | Timescale for Completion | Comes into force | Progress | RAG |
|---|--|---|---|--|-----|
| New Fields within IT system. SAA Portal Data transfer to be amended. Possible revised Valuation Notices. Staff instructions | Scottish Government Regulations. Local System development. Portal Data Transfer File changes | Comparisons to be able to be captured from May 2020 | To be confirmed by Regulation Likely to be 2022 Revaluation Publication date in Autumn 2021 | Redevelopment of Valuation system started early 2019 to allow for improved Revaluation process. Shops and Offices being tested September 2019, Industrials due September / October 2019. Self Catering, Contractors basis subjects, shootings and advertising subjects to be available by end of 2019. | RED |

- 3.6. Proposals / Appeals – Change from what was primarily a single stage appeal system to a 2 Stage redress system. The first stage is a Proposal to the Assessor then if not resolved an Appeal can be made to Valuation Appeal Committee details will be confirmed by Regulation.

| Implications | Dependencies | Timescale for Completion | Comes into force | Progress | RAG |
|---|---|---|--|--|-----|
| Redesigned Appeal Management system. Staff training and instructions. Potential to need to run two systems at once for legacy appeals from 2017 Revaluation | SG Regulations. Local system development. Establishment of new Tribunals system | System development to be completed by August 2021 | To be confirmed by Regulation Likely to be at publication of Revaluation 2022 in Autumn 2021 | SAA participation in Scottish Government Barclay Implementation Action Group and Appeals sub committee | RED |

- 3.7. Information Notices – Proposed change to the Assessors powers to request information, expanding the range of people that the Assessor can request information from and adjusting the time limit for a response. The penalty for non-compliance will also change from a Criminal Penalty to a Civil Penalty. Appeals against the imposition of a penalty will go to the Valuation Appeal Committee.

| Implications | Dependencies | Timescale for Completion | Comes into force | Progress | RAG |
|---|---|--------------------------|--|--|-----|
| Update of all Request for Information forms, hard copy and online. Information management system update to log issue and returns. Method of calculating penalty, Invoicing and payment system required. Possibility of appeals to | SAA for forms, SAA Portal for Online forms, Local System development, Scottish Government Regulations for further details, West Dunbartonshire Council or another body for payment / invoicing system | By April 2020 | After Royal Assent but may also be subject to Regulation. Likely April 2020. | Information Request forms currently being reviewed by SAA standing committees, review of on-line forms with a view to making them more user friendly | RED |

| | | | | | |
|----------------------------------|--|--|--|--|--|
| Valuation Appeal Committee | | | | | |
|----------------------------------|--|--|--|--|--|

4. Other Non-Domestic Rates Reform Changes

- 4.1. One of the key themes within the Barclay report was to try and improve the transparency of the Non Domestic Rating system. The Assessor currently has over 7000 valuations available to be viewed at www.saa.gov.uk . Work is currently ongoing to significantly increase the online availability of valuations and it is expected that by Spring 2020 there will be around 12,000 available online. Development is also taking place that will allow the Valuation Roll to be displayed via a digital map at the SAA Portal, it is anticipated that this facility should be available by the end of this year.
- 4.2. The Scottish Government recently consulted on the administration and possible licensing of Short-term lets. Within this consultation they sought views on the Barclay recommendation on the change to the definition of when a property which is subject to short-term lets should enter the Valuation Roll. The outcome of this consultation has not been published but, if adopted, the Barclay recommendation would change the requirement from a property being available for let to proving actual letting for a set period. This will mean significant changes to current practice and is likely to have an impact on our Key Performance Indicators.

5. Resources

- 5.1. The Barclay report recognised that its recommendations would require additional resources for Assessors. Our resource requirements are being kept under review and should become clearer as the Bill progresses and Regulations are finalised, however we have already identified the need to strengthen our Valuation team. A graduate valuer has been recruited and will begin work with us in October 2019.
- 5.2. The Barclay report recognised that the current structure of Assessors provides a good model of efficiency and recognised the roll of the SAA. Many of the changes outlined above will be achieved through continued joint working with other members of the SAA and enhancements to the SAA portal. The Assessor and senior members of staff will continue to work within the SAA to shape the outcome of these changes.

6. Recommendation

Members are asked to note the content of this report.

Person to contact:
Robert Nicol (Depute Assessor & ERO)
Tel: 0141 562 1263
E-Mail: robert.nicol@dab-vjb.gov.uk

Appendix : NDR Reform Project : Risk Register



*Dunbartonshire and Argyll & Bute
Valuation Joint Board*

NDR REFORM PROJECT - RISK REGISTER

Version Control

| Version | Originator | Summary of Changes | Date |
|---------|------------|---------------------------------------|----------------|
| 0.1d | DT/BN | New draft Risk Register | August 2019 |
| 0.2 | RN | Updated in light of comments received | September 2019 |
| | | | |
| | | | |

Introduction

To implement the recommendations of the 2017 Barclay Review of Non-domestic Rating (NDR) and a subsequent consultation which took place during 2018, the Scottish Government had introduced the Non-Domestic Rates (Scotland) Bill in March 2019, the effects of which will be significant on the Assessor's service.

The main changes to the NDR system included in the Bill, which affect the Assessor, are:-

- (a) Revaluations are to be effective every 3 years from 2022;
- (b) The Valuation Roll will be required to mark new and improved properties to assist in the application of the "Business Growth Accelerator";
- (c) Certain properties located in public parks will be entered into the valuation roll for the first time;
- (d) The current appeals system will be replaced by a 2-stage proposals and appeals process;
- (e) New civil penalties are to be introduced for non-provision of information; and
- (f) Assessors will be required to provide ratepayers with certain information on how their Rateable Values have been arrived.

Secondary legislation will be required to effect much of the detail and practical implications of the proposed changes. Secondary legislation is also expected to include a requirement to check that Self-Catering Units are actually let for 70 days in any year. It is also expected that the Scottish Government will separately require that there is much increased consultation with ratepayer representatives on valuation methods in advance of each Revaluation.

As many of the details of the forthcoming legislation are not yet known it remains difficult to be precise in projecting the specific consequences of, and risks associated with the legislation.

Notwithstanding the above, an internal NDR Reform Project Team was established in early 2019 and, it will establish a Project Plan for delivery of 3-yearly Revaluations, appeals system reform and all Barclay recommendations that are taken forward. The Project Team are also responsible for the development of this Risk Register and the management of risk identified herein.

The risks considered below are those specific to the proposed reforms and will not include the general risks associated with effecting a Revaluation.

Risk Management Methodology

Using knowledge and experience of the NDR, the NDR Bill and the emerging thoughts of government officials, the Project Team have identified risks relevant to the NDR Reform Project. The Methodology adopted will be the same as for the VJB's 'Board Risk Register' and 'Operational Risk Register' and further details of the approach can be obtained by referring to these documents. In summary, however, the risk will be assessed using the following:-

| | |
|---|--|
| <ul style="list-style-type: none"> • <u>Likelihood</u> - “Probability of a risk event occurring” <ol style="list-style-type: none"> 1. Unlikely but could happen (Low) 2. Likely to happen (Medium) 3. Very likely or already happening (High) | <ul style="list-style-type: none"> • <u>Impact</u> - “Severity of the consequences should such an event occur” <ol style="list-style-type: none"> 1. This will cause some problems but could be managed (Low) 2. This will cause significant delay or interruption to our services (Medium) 3. This could cause our services to fail (High) |
|---|--|

The likelihood and severity/impact scores will then be used to identify overall risk using the following Risk Matrix:-

| | | | | |
|----------------------------|---|------------|---|---|
| I M P A C T | 3 | 4 | 7 | 9 |
| | 2 | 2 | 5 | 8 |
| | 1 | 1 | 3 | 6 |
| | | 1 | 2 | 3 |
| | | LIKELIHOOD | | |

It is the ‘Residual Risk’ which represents the real current risk to the Joint Board.

NDR REFORM PROJECT - RISK MANAGEMENT

| Risk No | Risk Description | Risk Score | Controls | Resid Risk | Actions |
|----------------|--|-------------------|---|-------------------|---|
| 1 | Delay/Lateness in approval of, or significant amendments to, legislation (Including secondary legislation) | 7 | Broad timetable for Parliamentary Committee stages has been laid out. Policy commitment to effect some provisions by April 2020 should drive progress. Main Policy commitments are known and are likely to remain unchanged. Preparation for some of the provisions has commenced at local and SAA level | 5 | Continue to liaise with SG officials through SAA. Lobby SG for timetable for secondary legislation. Hold back on detailed process design and ICT development until details are known. |
| 2 | Lack of clarity in legislation (Including secondary legislation) makes it difficult to implement | 3 | Parliamentary Committee stages should ensure relative clarity. SAA has provided feedback on draft Bill and at Parliamentary Committee stage 1. | 3 | Continue to liaise with government members and officials (through SAA) Agree consistent interpretations with SAA where appropriate. Provide staff guidance/ training |
| 3 | Assessor (and staff) unclear on details and implications of proposals and processes | 9 | The contents of the Bill are known and largely understood. Ongoing awareness of discussions between SAA and SG officials Proposed changes discussed at Project Team and Management Team meetings. Early planning meetings have taken place. | 5 | Maintain an active awareness of progress of Bill through Parliamentary stages Maintain open communication channels. Follow progress of (draft) legislation. Provide staff guidance/ training. Clear precise instructions for staff to be available prior to implementation |
| 4 | Required ICT functionality is not achieved timeously | 9 | The major changes which will be required are laid out so some work has begun. Funding may be available to boost development capacity or otherwise support the ICT team Draft Project Plan in place | 4 | Ensure that specifications are provided to System Developer which accurately reflect the requirements. Monitor and manage system development Test systems adequately. Provide new hard and software where appropriate. Consider alternative systems if issue is critical. Continue to develop and manage Project Plan. |
| 5 | Additional resource requirements result in overspending against budgets and exhaustion of reserves | 9 | Assessors' resource requirements are included in the Financial Memorandum which accompanies the Bill. A general acceptance exists amongst all stakeholders that additional funding will be required. Funding provided by SG and passed to VJB by councils in 2019/20 | 5 | Seek funding from Joint Board/Constituent Councils. Seek funding from Scottish Government. Continue to seek efficiencies in ongoing operations. |

| | | | | | |
|----|---|---|--|---|--|
| 6 | Insufficient resources (people and finance) result in failure to deliver required change | 9 | Early plans and funding in place for 2019/20 | 4 | Seek ongoing/future funding from Joint Board/Constituent Councils. Seek ongoing/future funding from Scottish Government. Continue to seek efficiencies in ongoing operations. |
| 7 | Two-stage proposal and appeals process leads to further increases workloads. Note that the funding levels contained in the Financial Memo to the Bill assume a 25% reduction in appeal volumes. | 8 | | 8 | Review funding and staff resource requirements on an ongoing basis. Lobby (through the SAA) for simplified processes to be included in secondary legislation Lobby (through the SAA) for legislative proposal that will reduce proposal volumes. Ensure valuations are as accurate/robust as possible. Consultation with stakeholders about PN's via SAA |
| 8 | The identification of parks, parts of parks and buildings within parks which lose their exemption is not possible | 6 | Valuation sections advised to start researches early | 1 | Valuation sections to complete the necessary researches/surveys timeously. DA's to attempt to get access to asset registers for LAs |
| 9 | The lack of information regarding tenure and terms of occupation of above prevent relevant entries in the valuation roll from being made | 6 | Valuation sections advised to start researches early | 1 | Valuation sections to complete the necessary researches/enquiries timeously |
| 10 | Lack of adequately skilled workforce and appropriate training opportunities prevent appropriate staffing levels being achieved | 7 | Situation known about and understood – advance planning and options assessment ongoing. Funding made available in 2019/20 budget. Graduate Trainee has provisionally been appointed. | 3 | Continue to liaise with education providers. Continually assess local requirement dependent on legislative requirements and natural turnover. |
| 11 | Failure of, or delays in, SAA portal development preclude delivery of reform | 8 | PMC already working on a delivery plan. Portal funding requirement contained in Financial Memorandum and 2019/20 grant allocation. | 4 | Continue to play an active role in PMC, Project Team meetings and specific project development initiatives. Continue to fund necessary developments, both at portal and back-office. Ensure local ICT developments are aligned with portal plans and specifications. |
| 12 | Failure to implement and manage the civil penalty regime | 5 | Outline of the requirement is known. SAA to meet with SG on 20 august to consider approaches to delivery. | 3 | Engage with SG (through SAA) to seek a national approach to civil penalties. Engage with WDC to implement a local process if the above does not materialise |
| 13 | Failure to process information in line with data protection principles | 5 | Consultation with DPO VOA and SAA DSA's in place | 3 | Review Privacy Notices and where necessary implement additional DSA's |

| | | | | | |
|----|---|---|--|---|---|
| 14 | Potential for two appeal systems running concurrently for R2017 appeals and R2022 Appeals could result in appeals being wrongly treated | 5 | Appeal logging instructions in place for current system | 3 | Staff training Clear written instruction to be in place when new appeal requirements are known |
| 15 | The timescale from tone date to submission of values to SG is unachievable | 9 | Liaise with SG on the possible problems with timescale. Retain control over "local class" subjects by fluid, continuous analysis, but for -subjects that require the approval of PNs and valuation in a short timescale, it will be a challenge. Understanding of how rental markets are performing and forecast. Robust valuations. | 8 | Timetable for Revaluation tasks, more frequent WG meetings, early engagement with stakeholders. Sharing of workload for PN authors. |

DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD

Report by Assessor & Electoral Registration Officer

Valuation Joint Board – 25 September 2019

Subject: Electoral Registration Progress

1.0 Purpose

- 1.1 To provide the members of the Joint Board with an update on the current position in relation to Electoral Registration.

2.0 Background

The report provided to the Joint Board at the last meeting on 28th June 2019 referred to the monthly register updates, the February 2019 door-knock, Individual Electoral Registration (IER) Funding 2018/19, Fresh Signatures for Absent Voters, preparation for the 2019 Autumn Canvass, Canvass Reform, and the 2019 European Parliamentary elections.

3.0 Current Position

3.1 The 2019 Autumn Canvass

The main activity in relation to electoral registration at this time is the completion of the annual electoral canvass.

Household Enquiry Forms (HEFs) were issued on 1st July 2019 and, where there was no response, a reminder was issued on 2nd August. Canvassers are due to commence personal visits to households on 16th September to attempt completion and collection of the second reminder. See below for comparison of progress between this year and last year at 2nd reminder stage.

2019

| | Initial issue | 1 st Reminder as at 02/08/19 | %age Return as at 02/08/19 | 2 nd Reminder as at 26/08/19 | %age Return as at 26/08/19 |
|------------------|----------------|---|----------------------------|---|----------------------------|
| ABC | 48,463 | 17,438 | 64.02% | 11,436 | 76.41% |
| EDC | 46,962 | 17,849 | 62.00% | 11,281 | 75.98% |
| WDC | 45,202 | 22,317 | 50.63% | 16,480 | 63.54% |
| VJB Total | 140,627 | 57,604 | 59.04% | 39,197 | 72.13% |

2018

| | Initial issue | 1 st Reminder as at 30/07/18 | %age Return as at 30/07/18 | 2 nd Reminder as at 27/08/18 | %age Return as at 27/08/18 |
|------------------|----------------|---|----------------------------|---|----------------------------|
| ABC | 48,469 | 16,965 | 64.99% | 10,479 | 78.37% |
| EDC | 46,780 | 18,371 | 60.72% | 11,181 | 76.09% |
| WDC | 45,197 | 22,729 | 49.71% | 16,286 | 63.96% |
| VJB Total | 140,436 | 58,065 | 58.65% | 37,946 | 72.97% |

3.2 HEFs – Method of Response

There has been a channel shift away from the return of paper HEFs and towards electronic returns.

This could be attributed to the new HEF letter highlighting this more convenient option for electors.

| Method of Response | 2018 Canvass as at 06/09/2018 | | 2019 Canvass as at 05/09/2019 | |
|-------------------------------|----------------------------------|---------------|----------------------------------|---------------|
| | No of Returns | %age return | No of Returns | %age return |
| Post | 53,094 | 37.80% | 45,679 | 32.42% |
| Electronic (web/phone/SMS) | 42,907 | 30.55% | 49,500 | 35.13% |
| Total | 96,001 | 68.35% | 95,179 | 67.55% |

3.3 Register Updates/Rolling Registration

Since the last report there have been four monthly updates to the Register resulting in a total of 3,165 additions and 3,670 deletions.

Since publication in December 2018, 5,108 reviews have been carried out on electors we believe are no longer entitled to be registered at their registration address. This process has resulted in the recent increase in deletions shown above.

The final planned monthly update of 2019 was published on Monday 2 September.

4.0 **Canvass Reform**

To assist with planning for the expected reforms to the 2020 canvass, a snapshot of the Electoral Register was taken from the electoral management system, on 14 June 2019, prior to the start of canvass processes. The snapshot contained 2 separate files – occupied properties and empty properties.

Extracts of the constituent councils' council tax department records, as close to snapshot date as possible, were requested and received so that local data matching could take place.

Staff matched the snapshots of the Register, for each council area, to the council tax data with varied results – see below.

Empty Properties

| | Total number of empty properties | Number of properties matched | %age matched | Number of properties <u>not</u> matched | %age <u>not</u> matched |
|--------------|----------------------------------|------------------------------|--------------|---|-------------------------|
| ABC | 9,938 | 5,423 | 55% | 4,515 | 45% |
| EDC | 3,436 | 318 | 9% | 3,118 | 91% |
| WDC | 6,122 | 622 | 10% | 5,500 | 90% |
| Total | 19,496 | 6,363 | 33% | 13,133 | 67% |

Occupied - Properties

| | Total number of occupied properties | Number of properties matched | %age matched | Number of properties <u>not</u> matched | %age <u>not</u> matched |
|--------------|--|---|-------------------------|--|------------------------------------|
| ABC | 37,290 | 24,035 | 64% | 13,255 | 36% |
| EDC | 42,779 | 25,854 | 60% | 16,925 | 40% |
| WDC | 38,318 | 26,626 | 69% | 11,692 | 31% |
| Total | 118,387 | 76,515 | 65% | 41,872 | 35% |

National data match testing, to the Department of Work & Pensions database, is due to take place in January 2020.

Whilst testing is being carried out in reverse of processes expected for the 'live' version in July 2020, when a national data match will precede local data matching, it is hoped that these tests will allow planning for the new format of canvass to take place in advance of 'going-live'.

In parallel with this national process, local planning for the changes is under way and a Risk Register for the project has been established.

5.0 Scottish Elections (Reform) Bill

Subsequent to a consultation in 2017/18, the Scottish Elections (Franchise and Representation) Bill was introduced to the Scottish Parliament on 3 September 2019. The Bill will propose a number of changes including:

- Potentially moving from 4 to 5 year terms for Scottish Parliament and local government elections
- Allowing individuals over the age of 14 to register as attainers;
- Changes to the role and administration of the Electoral Commission;
- Giving the Electoral Management Board a statutory role in Scottish Parliament elections; and
- Greater flexibility for boundary review timings and for ward sizes for local government election

6.0 Scottish Elections (Franchise and Representation) Bill

The Scottish Elections (Franchise and Representation) Bill was introduced in Parliament on 20 June 2019. This Bill proposes changes to those allowed to vote in Scottish Parliament and Local Government Elections. These will include:

- Allowing all those legally resident in Scotland to vote.
- Prisoners serving sentences of 12 months or less will receive the right to vote.
- Foreign nationals with indefinite leave to remain in the UK will be able to stand as candidates in Scottish Parliament and Local Government Elections.

The Standards, Procedures and Public Appointments Committee of the Parliament launched its call for evidence on the Bill on Monday 1 July 2019 and the SAA made submissions on the Bill and its accompanying Financial Memorandum on 6 September 2019.

Because this legislation amends the franchise, a two thirds 'super majority' agreement will be required in Parliament for it to take effect.

7.0 Referendums (Scotland) Bill

The Referendums (Scotland) Bill was introduced on 29 May 2019. The Bill covers the technical aspects of holding a referendum, prescribes the rules for voting and sets out the rules for how the poll should be conducted. The Bill also provides for campaign rules to regulate campaigning at the referendum. The rules are largely based on existing UK and Scottish legislation covering elections and referendums. The rules include the administration and limits of spending by and donations given to participants in the referendum campaign.

The SAA made a submission to the call for evidence on the Bill during August.

8.0 Recommendation

Members are asked to note the content of this report.

Person to contact:
Rosemary Nelson (Principal Administration Officer)
Tel: 01586 555312
E-Mail: rosemary.nelson@dab-vjb.gov.uk

DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD

Report by Assessor & Electoral Registration Officer

Valuation Joint Board – 25 September 2019

Subject: Property – Lease of Grassed Area at 235 Dumbarton Road, Clydebank

1.0 Purpose of Report

- 1.1 To advise members of a new lease agreement for the let of a grassed area at the rear of the Joint Board's offices at 235 Dumbarton Road, Clydebank.

2.0 Background

- 2.1 In 2012 the Valuation Joint Board entered into a lease for the let of an area of circa 1,000m² of grassed land at the rear of its property at 235 Dumbarton Road, Clydebank to Alpha Pet Services Ltd who occupied the adjacent property on a lease from West Dunbartonshire Council.
- 2.2 The lease term ran from 1 July 2012 until 15 April 2016 at a rental of £1,800pa.
- 2.3 Since April 2016 the arrangement has continued on the basis of *tacit relocation*, i.e. without any formal lease but on the same terms as were contained within the lease.
- 2.4 As well as providing the Joint Board with a rental income, the arrangement helped secure a reduction in annual grounds maintenance costs.

3.0 Progress

- 3.1 Following a recommendation from the external auditor that the Board should have formal arrangements in place, the Assessor engaged with the tenant with a view to agreeing a new lease.
- 3.2 The parties have agreed to enter a new 3-year lease, effective from 1 July 2019 at a rental of £2,000pa. All other terms remain as before.
- 3.3 A new lease was drafted by Legal Services in West Dunbartonshire Council and this has now been signed by both parties. The lease agreement is attached for members' information.

4.0 Next Steps

- 4.1 The Joint Board will invoice the tenants for rental in accordance with the lease terms and all other terms will be managed as appropriate.

5.0 Recommendations

Members are asked to note that a formal lease arrangement has been entered into in respect of a grassed area at 235 Dumbarton Road, Clydebank.

Person to contact:

David Thomson (Assessor and ERO)

Tel: 0141 562 1260

E-mail: david.thomson@dab-vjb.gov.uk

THIS LEASE is entered into between **DUNBARTONSHIRE AND ARGYLL AND BUTE VALUATION JOINT BOARD**, established under Schedule I of the Valuation Joint Board (Scotland) Order 1995, made in terms of Section 27(7) to (9) of the Local Government (Scotland) Act 1994 and having its Chief Offices at 235 Dumbarton Road, Clydebank (hereinafter referred to as **"the Landlords"**) of the **First Part**

and

ALPHA PET SERVICES LTD, a company registered under the Companies Acts (Company Number SC336062) and having their Registered Office at 233 Dumbarton Road, Clydebank G81 4XJ (hereinafter referred to as **"the Tenants"**) of the **Second Part**

1. Definitions and Interpretation

1.1 In the Lease:-

"Annual Rent" means rent at the rate of £2,000.00 per annum;

"Date of Entry" means 1st July 2019

"Date of Termination" means the date upon which the Lease terminates;

"Interest" means interest on the sum in question at 4% per annum above the base rate from time to time of Clydesdale Bank plc from the date that such sum is due for payment or, if there is no such date specified, the date of demand for such sum until such sum is paid;

"Parties" means the Landlords and the Tenants;

"Permitted Use" means the exercising of dogs and for no other purpose;

"Plan" means the demonstrative plan annexed to this offer;

"Property" means the grassed area extending to one thousand square metres or thereby to the rear of 235 Dumbarton Road, Clydebank and shown delineated in red on the plan;

"Working Day" means any day on which clearing banks in Glasgow are open for normal business.

- 1.2 In the Lease, unless otherwise specified or the context otherwise requires:-
- 1.2.1 any reference to one gender includes all other genders;
 - 1.2.2 words in the singular only include the plural and *vice versa*;
 - 1.2.3 any reference to the whole is to be treated as including reference to any part of the whole;
 - 1.2.4 any reference to a person includes a natural person, corporate or unincorporated body (whether or not having separate legal personality) and words importing individuals include corporations and *vice versa*;
 - 1.2.5 any reference to a Clause is to the relevant Clause of the Lease;
 - 1.2.6 any reference to a statute or statutory provision includes any subordinate legislation which is in force from time to time under that statute or statutory provision;
 - 1.2.7 any reference to any statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time taking account of any amendment or re-enactment;
 - 1.2.8 any phrase introduced by the words "including", "include", "in particular" or any similar expression is to be construed as illustrative only and is not to be construed as limiting the generality of any preceding words;
 - 1.2.9 a document will be duly executed only if it is executed in such manner as meets the requirements of Section 3 of the Requirements of Writing (Scotland) Act 1995; and
 - 1.2.10 where at any one time there are two or more persons included in the expression "Tenants" obligations contained in the Lease which are expressed to be made by the Tenants are binding jointly and severally on them and their respective executors and representatives whomsoever without the necessity of discussing them in their order.
- 1.3 The headings in the Lease are included for convenience only and are to be ignored in construing the Lease.
2. **Lease**
- 2.1 The Landlord lets the Property to the Tenant in consideration of the Annual Rent and the other obligations specified in this Lease ("the Lease"), together with, insofar as it is competent for the Landlord to grant same, a right of pedestrian access to the Property.

3. Duration

3.1 The Lease will commence on the Date of Entry and will terminate on 30th June 2022 ("the Date of Termination").

3.2 At the Date of Termination, the Tenants will:-

3.2.1 remove from the Property with their whole equipment and other items, without the need for any notice from the Landlords, and

3.2.2 leave the Property in a condition consistent with full compliance with their obligations under the Lease.

4. Annual Rent

4.1 The Tenants shall pay for the said Property Annual Rent, which shall, subject as aftermentioned, be at the rate of TWO THOUSAND POUNDS (£2,000.00) STERLING per annum and which said Annual Rent the said Tenants bind and oblige themselves with their whole stock, funds and assets to pay to the Landlords and their successors or assignees whomsoever at four terms of the year, namely, 28 February, 28 May, 28 August and 28 November, by equal portions, making the first payment at the Date of Entry for the period from the Date of Entry to the term immediately succeeding and the next term's payment at the term of 28 August following and so forth quarter yearly, termly and proportionally thereafter during the currency of this Lease in advance, with interest on each term's payment of rent at the rate of four per centum per annum above the base lending rate of the Clydesdale Bank PLC, or its successors, from time to time in force from and after the respective terms of payment thereof until fully paid. A Certificate given under the hand of a duly Authorised Officer of Clydesdale Bank PLC or its successors shall be sufficient to constitute and determine the appropriate rate or rates of interest applicable from time to time.

4.2 The Tenants will also pay for the duration of the Lease:-

4.2.1 all rates, taxes, duties, levies, charges, assessments, impositions and outgoings whatsoever imposed on or payable in respect of the Property or on its owner or occupier;

4.2.2 all costs incurred by the Landlords in procuring the remedy of any breach of any obligation of the Tenants under the Lease.

4.3 All sums payable under the Lease, including the Annual Rent, are exclusive of Value Added Tax, which, if payable, is payable in addition in return for a valid Value Added Tax invoice.

4.4 If:-

4.4.1 the Annual Rent is not paid on the due dates; or

4.4.2 any other sums due by the Tenants are not paid within ten Working Days after the due dates

then the Tenants will pay to the Landlords Interest on the outstanding money.

5. Use

5.1 The Tenants will use the Property for the Permitted Use and for no other purpose.

5.2 The Landlords give no warranty that:-

5.2.1 the Property is suitable for the Permitted Use; or

5.2.2 the Permitted Use is or will remain the permitted use of the Property within the provisions of the planning or other relevant legislation from time to time.

5.3 The Tenants will not do or permit to be done upon or in connection with the Property anything which would be a legal nuisance or cause of damage to the Landlords or the other occupiers of any neighbouring premises or both.

5.4 The Tenants will comply with:-

5.4.1 all statutes, bye-laws and other regulations affecting the Property or the Tenants' use of the Property;

5.4.2 all obligations, restrictions, reservations and other conditions in the titles of the Property; and

5.4.3 all reasonable regulations which may be issued from time to time by the Landlords or their agents in relation to the Property, including in respect of health and safety, risk management and security.

6. Indemnity and Insurance

6.1 The Tenants will indemnify and keep indemnified the Landlords on demand from all liability in respect of:-

6.1.1 any injury to or death of any person;

6.1.2 damage or loss which may be suffered by any persons by reason of or arising out of the use of the Property by the Tenants;

6.1.3 any breach by the Tenants of their obligations under the Lease; and

6.1.4 local authority rates and other costs associated with the occupancy of the Property.

6.2 The Tenants will take out insurance cover:-

6.2.1 such as is necessary to give full indemnification to the Landlords in respect of the matters referred to at Clause 6.1; and

6.2.2 against contents, third party, property, employers and public liability in at least the sum of £5,000,000 for each and every claim and unlimited liability in any on year.

and, in both cases, will produce written evidence of such insurance to the Landlords on demand.

6.3 The Tenants will not do anything which vitiates or makes void or voidable any insurance policy for the Property effected by the Tenants, or causes monies otherwise payable under such policy to be irrecoverable or refused or withheld, or an increased premium or loading to be payable in respect of such policy.

6.4 Should the use or non-use of the Property cause any increase in the cost of insuring any adjacent premises of the Landlords the Tenants will on demand from time to time pay to the Landlords the amount of any such increase.

7. Alienation

7.1 The Lease is personal to the Tenants and the Tenants will not (either wholly or partially) assign, sub-let, part with or share occupation or otherwise deal in any way with their interest in the Lease.

7.2 The Landlords will be entitled to assign their interest under the Lease.

8. Condition

8.1 The Tenants accept the Property in its present condition as being fit in all respects for the Permitted Use.

8.2 The Tenants will:-

8.2.1 at their own cost, repair and maintain the Property in good repair and condition so that it is at all times in at least such condition and, when necessary, but only insofar as required to maintain the Property in such condition, renew and rebuild the Property; and

8.2.2 leave the Property in such condition at the Date of Termination;

all to the satisfaction of the Landlords (acting reasonably).

8.3 If the Tenants fail to carry out any works to the Property for which they are responsible in terms of the Lease after a written demand has been made by the Landlords, the Landlords may carry out such works (without prejudice to their other rights including their rights to terminate the Lease) and the Tenants will pay to the Landlords on demand the whole proper costs incurred by the Landlords in so doing, together with Interest.

8.4 The Landlords will have no liability to repair, maintain, renew or replace the Property.

8.5 Without prejudice to the foregoing, the Tenants will maintain to the Landlord's reasonable satisfaction, the fence around the Property, leaving a gap of one metre or thereby between the roadway/car park kerb and the fence.

9. Alterations

9.1 The Tenants will not carry out any alterations or additions to the Property without the prior written approval of the Landlords.

9.2 To the extent requested by the Landlords, the Tenants will remove any alterations and additions carried out by them and reinstate the Property at the Date of Termination to the condition they were in before such alterations and/or additions were made. In particular, the Tenant will remove, prior to the Date of Termination, the fence referred to at Condition 8.5 hereof, all to the Landlord's reasonable satisfaction.

10. Access

10.1 The Tenants shall permit the Landlords and their agents, tradesmen, employees, workmen, tenants and any other persons authorised by the Landlords, at any time during the currency of this Lease, to enter upon the Property or any part or parts thereof (all without compensation (including abatement of rent) being payable or allowable to the Tenants therefor) for

10.1.1 the purposes of viewing, inspecting and examining the state and condition of the Property or executing any necessary repairs or renewals or rebuilding

10.1.2 the purpose of viewing and examining the state and condition of any premises adjoining or contiguous to the Property and of executing any repairs, renewals or rebuilding and/or alterations to such adjoining or contiguous premises; and

10.1.3 any reasonable purposes

provided that the Landlords and all others taking access to the Property for all or any purposes specified in 10.1.2 hereof shall be bound to exercise their right so as to cause the minimum interference practicable to the Tenants and shall also be bound to make good, to the reasonable satisfaction of the Tenants, any damage occasioned thereby to the Property as soon as is reasonably practicable thereafter.

11. Registration

The Landlords will:-

- 11.1 register the Lease for preservation and execution;
- 11.2 order two copies; and
- 11.3 deliver one of the copies to the Tenants (or their solicitors on their behalf) as soon as reasonably practicable following receipt of the extracts.

12. Early termination

If:-

- 12.1 any sums due under the Lease (including the Annual Rent) or any part of them are not paid on the due dates, or
- 12.2 the Tenants fail to implement any of their other obligations under the Lease, or
- 12.3 the Tenants:-
 - 12.3.1 go into liquidation, receivership or administration;
 - 12.3.2 sign a trust deed for creditors, are sequestrated or enter into a voluntary arrangement;
 - 12.3.3 become insolvent or apparently insolvent; or
 - 12.3.4 are wound up or dissolved

then, in each case, the Landlords may, at their option, at any time by notice in writing to the Tenants terminate the Lease with effect from the date specified in the notice but reserving to the Landlords their right of action in respect of any antecedent breach of the Tenants' obligations.

13. Notices

- 13.1 Any notice, intimation or demand to be given in terms of the Lease shall be in writing. Any notice, intimation or demand to the Tenants shall be sufficiently served if sent by Recorded Delivery post either (a) (if the Tenants are an incorporated body) to its registered office or, if the Tenants although being an incorporated body has no registered office, to its principal place of business last notified to the Landlords or to such other address as the Tenants shall specify in writing and (if the Tenants shall be an individual) to his or her last known address in Great Britain or Northern Ireland; or (b) to the Tenants at the Premises.
- 13.2 Where the Tenants consist of more than one person, any notice, intimation or demand given to any one such person shall be deemed to have been given to the Tenants.
- 13.3 Any notice, intimation or demand sent by Recorded Delivery post shall be deemed duly served at the expiry of two days after the date of posting. In proving

service, it shall be sufficient to prove that the envelope containing the notice, intimation or demand was duly addressed to the Tenants, or to any person referred to above, or the Landlords (as the case may be) in accordance with this Clause and posted to the place to which it was so addressed. Nothing herein contained shall preclude personal service of any notice, intimation or demand to any party.

14. No Liability

The Landlords are not liable to the Tenants for any loss, injury or damage which the Tenants may sustain from a deficiency in any part of the Property or the death of or injury to any person, or for damage to any property or for any losses, claims, demands, actions, proceedings, damages, costs or expenses or other liability incurred by the Tenants in the exercise or purported exercise of the rights conferred on the Tenants under the Lease.

15. Formal Documentation

15.1 Neither the Tenants nor the Landlords will be bound by any acceptance of this offer or any other letter purporting to form part of the Lease, or any amendment or variation of the Lease unless it is duly executed.

15.2 The Lease represents the entire agreement between the Parties relating to the Lease of the Property and supersedes any previous agreements between the Parties relating to it. Neither of the Parties has been induced to enter into the Lease on account of any prior warranties or representations made which are not embodied in the Lease and no representation, warranty or undertaking of any description in respect of the Property, whether in relation to title, state of repair, compliance with statutes or other matters, the existence of local authority or other proposals or orders, or otherwise, is given in the Lease except insofar (if at all) as expressly stated in the Lease.

16. Costs

16.1 Each of the Parties will bear their own costs and expenses.

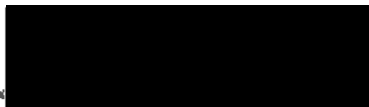
16.2 The Tenants will pay within five Working Days after written demand the costs of registering the Lease and obtaining the extracts.

17. Proper Law and Prorogation

The Lease and the rights and obligations of the Landlords and the Tenants are governed by and are to be construed in accordance with the law of Scotland and the Landlords and the Tenants are deemed to have agreed to submit to the non-exclusive jurisdiction of the Scottish courts.

18. **Consent to Registration**

The Parties consent to registration of the Lease for preservation and execution:
IN WITNESS WHEREOF these presents consisting of this and the preceding eight pages together with the plan attached are executed as follows:-
They are signed for and on behalf of the Dunbartonshire and Argyll and Bute Valuation Joint Board by David Charles Thomson, Assessor and Electoral Registration Officer and Authorised Signatory at Clydebank on the Twelfth day of July Two Thousand and Nineteen in the presence of the following witness:- Joan Marion Dryden of Two hundred and Thirty-five Dumbarton Road, Clydebank and they are signed for and on behalf of Alpha Pets Services Ltd by Claire Marie Forey, one of their Directors at Clydebank on the Eighteenth day of June Two thousand and Nineteen in the presence of the following witness:- Fiona Reid, Three/Three Woodlands Court, Old Kilpatrick.




(Witness)



DARUT



(Witness)



APSL

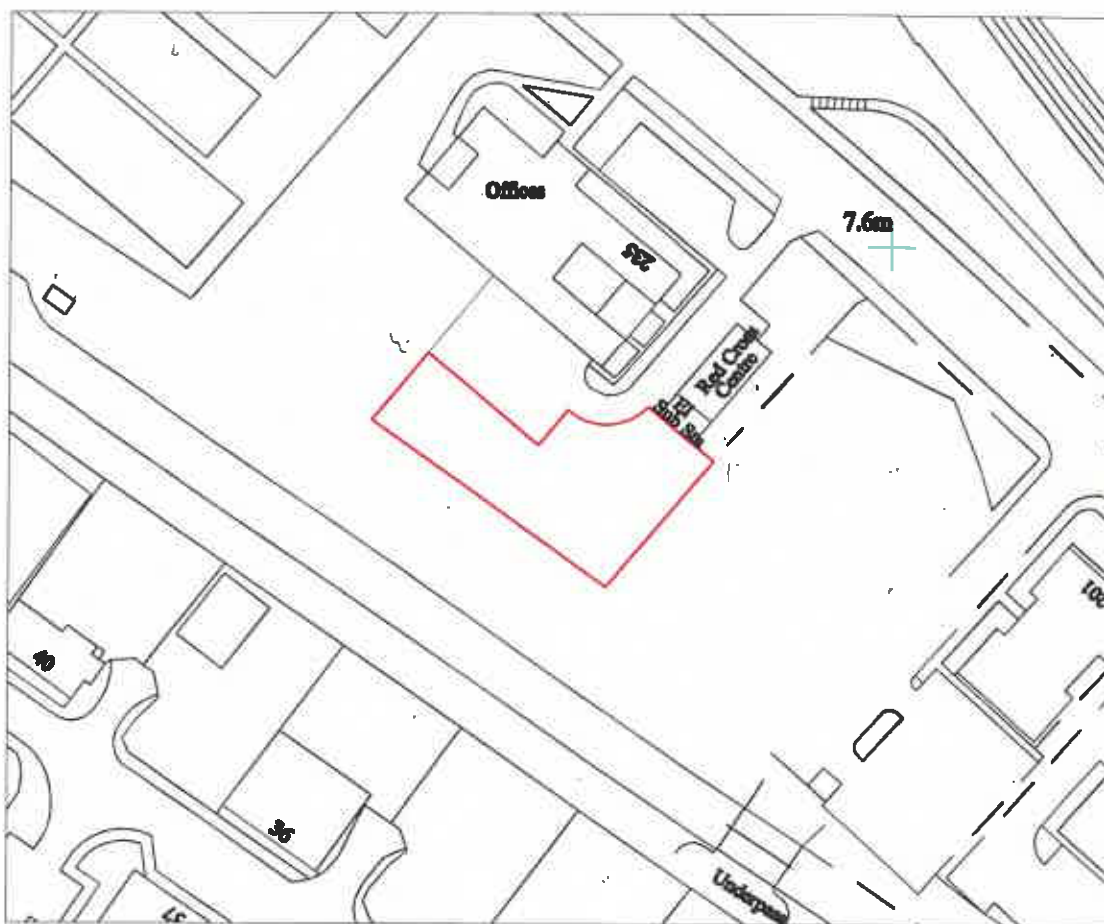
12 July and 18 June 2019

This is the plan referred to in the foregoing Lease between Dunbartonshire and Argyll and Bute Valuation Joint Board in favour of Alpha Pet Services Ltd dated of even date herewith.

DA00313

APSLH

**LEASE BY
DUNBARTONSHIRE AND ARGYLL AND BUTE VALUATION JOINT BOARD
IN FAVOUR OF
ALPHA PET SERVICES LTD**



Reproduced from the Ordnance Survey mapping with the permission of the Controller of Her Majesty's Stationary Office(C) Crown Copyright.
Unauthorized reproduction infringes Crown Copyright and may lead to prosecution or civil proceedings. West Dunbartonshire Council Licence No 100020790

Grassed area to the rear of
235 Dumbarton Road,
Clydebank.

area delineated in red extends
to 1000 sq.m or thereby

Drawn By:ES
Date:May 2012
Drawing No:LA/341/10/D/C
Scale:1.1250



Council Offices
Garshake Road
Dumbarton
G82 3PU

DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD

Report by Depute Assessor & Electoral Registration Officer

Valuation Joint Board – 25th September 2019

Subject: Public Sector Equality Duty**1.0 Purpose**

- 1.1 To inform members of publication of The Public Sector Equality Duty Report.

2.0 Background

- 2.1 At its meeting on 23rd June 2017 the Valuation Joint Board approved a 'Public Sector Equality Duty' Report for implementation within the Joint Board.
- 2.2 This Report contained the Board's response to a number of duties arising out of The Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012.
- 2.3 The Regulations require that every 2 years a report on Mainstreaming the Equality Duty is published along with employee information and reporting of the Gender Pay Gap.

3.0 Progress

- 3.1 The Public Sector Equality Duty Report was published in line with the requirements of the Regulations in April 2019 and is attached for Members' information.
- 3.2 The report contains our Workforce Monitoring Report for 2018/19 giving an analysis of our workforce including a split into part time and full time employees and recruitment monitoring. The report also contains an update on our progress towards our equality outcomes and our gender pay gap information.
- 3.3 The report shows our gender pay gap of 32.7% at 31st March 2019, this has widened slightly since it was first reported in 2017 at 29%. The main reasons for the widening of the pay gap since 2017 are the loss of an admin supervisor post previously held by a female and the recruitment of female trainee valuers.

4.0 Recommendations

- 4.1 It is recommended that the Board notes the attached Public Sector Equality Duty report

Person to contact:

Robert Nicol (Depute Assessor and ERO)

Tel: 0141 562 1263

E-mail: Robert.nicol@dab-vjb.gov.uk

Appendix: The Public Sector Equality Duty Report



*Dunbartonshire and Argyll & Bute
Valuation Joint Board*

Public Sector Equality Duty

April 2019

Foreword

The Equalities Act 2010 (The Act) provided an opportunity for Dunbartonshire and Argyll & Bute Valuation Joint Board (the Board) to reaffirm its commitment to equality.

This Public Sector Equality Duty report is the backbone of a positive equal opportunities agenda which includes the promotion of equality by the Board within Argyll & Bute, and East and West Dunbartonshire.

The Board is committed to the promotion of equal opportunities and this report is the basis of that commitment and part of Dunbartonshire and Argyll & Bute Valuation Joint Board's wider equal opportunities policy.

The Board's performance in relation to the proposals contained in this report will be monitored and audited, and progress reported to elected members of the Board and to the citizens of Argyll & Bute and East and West Dunbartonshire.

This report should be read in conjunction with the Board's Single Equality Scheme.

This report includes information on the gender pay gap within the Board and an equal pay statement.

Contents

| | Page |
|--|------|
| Introduction | 4 |
| Mainstreaming the Equality Duty | |
| Equal Pay | 6 |
| Positive Action | 6 |
| Public Sector Duties | 7 |
| Specific Equality Duties | 7 |
| Monitoring | 8 |
| Customer Consultation | 8 |
| Access to Premises and Information | 9 |
| Training | 9 |
| Equality Impact Assessments | 9 |
| Workforce Monitoring | 11 |
| Gender Pay Gap Reporting | 27 |
| Equal Pay Statement | 28 |
| Equalities Outcomes Update | 28 |

1.0 Introduction

1.1 The Board.

The Dunbartonshire and Argyll & Bute Valuation Joint Board was established as part of the 1996 reorganisation of local government in terms of The Valuation Joint Boards (Scotland) Order 1995 and is vested with the functions of the three valuation authorities, Argyll & Bute Council, East Dunbartonshire Council and West Dunbartonshire Council. With the agreement of the three councils the Board also has responsibility for the Electoral Registration function. The Board has therefore appointed the Assessor to be the Electoral Registration Officer and to be responsible for the preparation and maintenance of the Register of Electors.

The Board comprises 16 members who are appointed by the three councils with Argyll & Bute and West Dunbartonshire Council each nominating 5 members and East Dunbartonshire Council 6 members.

1.2 Functions of the Assessor and Electoral Registration Officer

Electoral Registration - This service is responsible for the compilation and maintenance of the Electoral Register. The Electoral Register is used at all elections and referenda and only persons who appear on the Register can vote. Electoral Registration forms are issued every year to all properties that are residences. This service therefore reaches every member of the community who is aged 14 years or over. A statement is included with the forms stating that the forms can be made available in other languages or larger print.

Valuation - This service is responsible for the compilation and maintenance of the Valuation Roll. The Valuation Roll is used by the Board's constituent Councils to bill occupiers/owners for non-domestic rates. A statement is included with relevant forms and Notices stating that they can be made available in other languages or larger print.

Council Tax - This service is responsible for the compilation and maintenance of the Council Tax Valuation List. The List is used by the Board's constituent Councils to bill occupiers/owners for Council Tax payments. Council Tax Banding Notices are issued to new dwellings, and certain altered dwellings. This service reaches all Council Taxpayers in Dunbartonshire and Argyll & Bute. A statement is included with relevant forms and Notices stating that they can be made available in other languages or larger print.

1.3 Service Mission and Vision

“WHO WE ARE”

Dunbartonshire and Argyll & Bute Valuation Joint Board is an independent local government body which was established by The Valuation Joint Boards (Scotland) Order 1995

“WHAT WE DO”

We professionally compile and maintain the Valuation Rolls, Council Tax Valuation Lists and Registers of Electors for the Argyll & Bute, East Dunbartonshire and West Dunbartonshire Council areas

“OUR AIMS”

Building on our established professionalism, we aim to provide high quality, transparent, effective and responsive services to all of our stakeholders

COMMITMENTS

Within the constraints of the increasingly tight public finance regime, we are committed to:

- Consulting our stakeholders, and listening and responding to their views
- Valuing staff and providing them with opportunities to develop and contribute
- Reacting innovatively to change
- Encouraging innovation and recognising achievement within the organisation
- Treating all stakeholders, including staff, in a fair, consistent manner and in accordance with our Equalities Requirements.
- Striving for continuous improvement in all aspects of service delivery
- Ensuring that we are accessible and accountable to stakeholders
- Pro-actively planning workloads and deploying resources efficiently
- Using language which is easy to understand
- Working with our partners in the Scottish Assessors' Association to ensure transparency and Scotland-wide consistency of approach to service delivery

It can therefore be seen from the above that the Board, by embedding a firm commitment to achieving equality of service provision into its Vision, Mission and Commitments statements, has established equalities into the ethos of the organisation.

2.0 Equal Pay

The Equality Impact Assessment carried out on behalf of Unison following the completion of the Pay Modernisation processes for the Board's staff states "On the basis of the information supplied, the new pay scheme is consistent with the principles of equal pay for work of equal value. It reduces the overall pay gap and removes any significant pay gap for work rated as equivalent. The overall pay gap remains a concern but given that this results from the predominance of men in higher grades and women in lower grades, it is outwith the scope of this report." The Board will, through recruitment and promotion, attempt to remove this imbalance when the appropriate opportunities arise.

The Board will not implement conditions of employment restricting staff from making public what they are paid when attempting to identify discrimination.

3.0 Positive Action

Prior to the 2010 legislation, 'positive action' was permitted to allow employers to encourage applications for employment from under represented groups.

Positive action does not mean positive discrimination. Recruitment or promotion must still be based on merit. A person cannot be appointed just because he or she possesses a protected characteristic. That would be positive discrimination, which continues to be unlawful in the UK.

The Board will take proportionate measures to overcome any perceived disadvantage or to meet specific needs for a person with a protected characteristic, much along the lines of providing facilities for disabled persons.

4.0 Public Sector Duties

The Board's Equality Policy brings together the existing public sector equalities duties covering disability, gender and race under the single duty which includes age, gender reassignment, pregnancy and maternity, religion and belief, and sexual orientation.

The Board when carrying out its functions will have due regard to the need to:

- Eliminate discrimination, harassment, victimisation and any other conduct prohibited by the Act;
- Advance equality of opportunity between persons sharing a protected characteristic and persons who do not share it; and
- Foster good relations between person who share a protected characteristic and persons who do not share it.
- Consider the needs of all individuals in their day to day work, in developing policy, in delivering services, and in relation to their own employees.

Consideration of equality issues must influence the decisions reached by the Board – such as in how we act as employers; how we develop, evaluate and review policy; how we design, deliver and evaluate services and how we commission and procure services from others.

5.0 Specific Equality Duties

In line with the requirements of The Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012 the Joint Board will comply with the following duties;

- To report progress on mainstreaming the Equality Duty.
- To publish equality outcomes and report progress.
- To Equality Impact Assess Policies and Practices.
- To gather and to use employee information.
- To consider award criteria in relation to public procurement.
- To publish required information in a manner which is accessible.
- To publish gender pay gap information.
- To publish statements on equal pay.

The Board is committed to integrating equality into its processes and ensuring that equality features explicitly and proportionately in its business operations.

6.0 Monitoring

Reports will be prepared and presented to the management team annually to show staff statistics on the following:

- Analysis of data by age
- Analysis of data by carer responsibility
- Analysis of data by disability
- Analysis of data by gender reassignment
- Analysis of data by marriage and civil partnership
- Analysis of data by pregnancy and maternity
- Analysis of data by race
- Analysis of data by religion or belief
- Analysis of data by sex
- Analysis of data by sexual orientation

These reports will be used to identify where inequality exists and where actions are required in respect of any of the protected characteristics.

Use of the information from Staff Monitoring forms an essential part of our revised equalities outcomes. More information on this area can be found under Equalities Outcomes.

7.0 Customer Consultation

In April 2018 in an attempt to make our Customer Consultation process more efficient we moved to an on-line questionnaire. Unfortunately the response rate was lower than before. During the latter half of 2018 we reinstated the previous postal form alongside the on-line questionnaire. The returns are analysed to allow an annual report on stakeholder opinions on the service provided. This customer consultation examines the returns across the protected characteristics and will continue to be used to identify where inequality exists in service provision or where positive actions are required in respect of any of the protected characteristics.

The Board also operates a Customer Complaints Policy with suggestion, comments and complaints forms available online.

Use of the information from Customer Consultation Questionnaires forms an essential part of our revised equalities outcomes. More information on this area can be found under Equalities Outcomes.

8.0 Access to the Board's premises and Information

Assessments have been made of the Board's premises and accesses have been improved, disabled toilets installed and a hearing loop installed where required. Unfortunately access to the upper floors of both offices is restricted for some disabled stakeholders but provision has been made to allow all services to be provided on the ground floors.

The Board has contracted with a translation service, to provide translations whenever necessary and staff are retrained annually on its application.

Those publications made on paper can generally also be made available, on request, in different languages, in Braille, audio tapes and other similar mediums.

Most forms issued provide details of how to obtain these alternative formats.

9.0 Training

The Board has identified and put in place arrangements for training its staff in relation to its duties to promote equality. The Board is committed to ensuring that staff receive adequate training in these areas. A rolling programme of refresher training on equalities and the equalities duties is embedded into our core training programme that covers all members of staff.

The Board considers it important that its own members receive training in its obligations with regard to equality, and will ensure that current and future members participate in training programmes provided by its constituent authorities.

A statement of commitment to Equality is included in staff Induction packs. All new staff, through the induction procedures, are made aware of all relevant Equality issues and retraining of all staff takes place when required.

Our Core Training programme also includes an annual refresh of translation service Training.

10.0 Equality Impact Assessments

There has never been a formal legal requirement on the Board to produce formal Equality Impact Assessments and no formal requirement exists in the public sector Equality Duty. The Valuation Joint Board however remains committed to conducting Equalities Impact Assessments (EIAs) on all new and amended Policies and for changes to service provision. The Management Team of the Board uses its established Risk Management approach to identify the effects of changes of policy and legislation on persons with protected characteristics. Negative effects for these persons are avoided, mitigated or accepted as appropriate and, where the risk is deemed to be high, a full Impact Assessment is carried out. The Impact Assessment identifies where the Joint

Board can promote equality of opportunity and any gaps in policy or adverse effects will be addressed.

The details of the approach to full Impact Assessments will vary depending upon the nature of the change and its likely effect for persons with protected characteristics but each will include the following general steps:

- (a) Consider all available data and research findings
- (b) Assess the effect on persons (as above)
- (c) Consider mitigation action
- (d) Consider alternative approaches and opportunities to promote equalities
- (e) Decide on the most appropriate actions
- (f) Establish arrangements for monitoring outcomes
- (g) Publish the Impact Assessment
- (h) Promote positive effects

Workforce Monitoring Report for 2018/19

Introduction

Dunbartonshire and Argyll & Bute Valuation Joint Board (the Board) is committed to providing a working environment which values diversity. It fosters a workplace culture which is free from unlawful discrimination, harassment, victimisation or bullying and where all employees and the wider community they serve are treated with dignity and respect.

As an employer, the Board has made progress in fostering an inclusive working environment by:

- Introducing a range of policies and practices, including Flexible Working, Equality at Work and Dignity at Work which promote equality at work, foster a positive working environment and eliminate unlawful discrimination, harassment and victimisation. A Disability Leave Policy has also been introduced and several employees have tailored adjustment agreements to reflect their particular needs. A Carers Leave Scheme and Cancer Support Policy have also been introduced. All policies which impact on employees have been developed in consultation with Trades Unions.
- Mainstreaming equality into training and development,
- Setting up an Equality Champion to promote equality across all Board services. The Champion is a member of, and reports to, the Management Team on a regular basis,
- Including Equality as a core competency in our Performance and Development Review system.
- Including Equalities as a standing agenda item for Management Team Meetings

The Board recognises, however, that we must ensure that any steps taken to promote equality translate into meaningful change for employees and that our duty to advance equality of opportunity is an ongoing one.

One of the key tools we can use to evaluate the effectiveness of our equality measures is to annually monitor the make up of our workforce. By doing this, we are better able to identify any equality issues in employment and take action to overcome any disadvantage. Monitoring also enables us to understand the impact of our policies and procedures on employees and identify any trends or patterns.

We will use our workforce monitoring data to:

- Identify areas of occupational segregation by gender and consider measures to address these.
- Identify any disparities in the profile of our workforce by protected characteristic.
- Develop equality outcomes to overcome disadvantage and further the equality duty
- Compare our data with any available national statistics.
- Identify gaps in workforce data and take steps to address these.

Legal Framework and EHRC Guidance

By embracing the diversity of our employees and maximising their individual potential, we can foster innovation, deliver high quality services and create a positive workplace culture. As a public body, the Board also has legal obligations under the Public Sector Equality Duty to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act 2010
- Advance equality of opportunity between those who share a protected characteristic and those who do not
- Foster good relations between those who share a protected characteristic and those who do not.

The Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012 came into force in May 2012. These duties require us to gather and publish information annually on the composition of our workforce and on the recruitment, development and retention of our employees with respect to their protected characteristics.

Non statutory guidance from the Equality and Human Rights Commission on the specific duties recommends that organisations work towards gathering and using information disaggregated by protected characteristics on the following:

- Recruitment and promotion
- Numbers of part-time and full-time staff
- Pay and remuneration
- Training and development
- Return to work of women on maternity leave

- Return to work of disabled employees following sick leave relating to their disability
- Grievances (including about harassment)
- Disciplinary action (including for harassment)
- Dismissals and other reasons for leaving.

Where possible, this report will report on the aforementioned categories by protected characteristic. Where our reporting mechanisms are unable to provide information, we will highlight the gaps and take steps to gather the data for our next annual monitoring report.

A series of information sessions were held with staff to ensure that they were fully aware of the significance of the information being requested. The information sessions were useful in sparking debate and discussion on many areas and information provided by Stonewall and the Equalities and Human Rights Commission was central to informing the debate. The data from our workforce used within this report was ingathered during January and February 2019. Reporting categories for our workforce are age, carer responsibility, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion and belief, sex, and sexual orientation.

Scope of Report

This report provides an overview of our workforce profile as at 31st March 2019 and is structured as follows:

- Analysis of data by age
- Analysis of data by carer responsibility
- Analysis of data by disability
- Analysis of data by gender reassignment
- Analysis of data by marriage and civil partnership
- Analysis of data by pregnancy and maternity
- Analysis of data by race
- Analysis of data by religion or belief
- Analysis of data by sex
- Analysis of data by sexual orientation
- Gender Pay Gap reporting

Our Workforce profile is also split to show all staff, full time staff and part time staff.

Analysis by Protected Characteristic

Age

Age Profile of Workforce

- The largest percentage of our workforce is made up by employees in the 41 to 60 age group which make up 64% of staff. 18% of employees are aged 31 to 40 and 9% are 22 to 30. 9% are over 61.
- Our part time work force is spread throughout the age ranges.

Grievance by Age

- There have been no recorded grievances

Disciplinary Proceedings by Age

- There have been no disciplinary proceedings

| Age Range | All Staff | Full Time | Part Time |
|------------------------|------------------|------------------|------------------|
| 16 -17 | 0% | 0% | 0% |
| 18 -21 | 0% | 0% | 0% |
| 22 – 30 | 9% | 9% | 9% |
| 31 – 40 | 18% | 18% | 18% |
| 41 – 50 | 24% | 21% | 36% |
| 51 – 60 | 40% | 47% | 18% |
| 61 – 65 | 7% | 6% | 9% |
| 66 – 70 | 2% | 0% | 9% |
| 71+ | 0% | 0% | 0% |
| Do not wish to declare | 0% | 0% | 0% |

Analysis by Protected Characteristic

Carer Responsibility

Profile of Workforce

- 7% of the staff have caring responsibilities while 93% have none.

Grievance by Carer Responsibility

- There have been no recorded grievances

Disciplinary Proceedings by Carer Responsibility

- There have been no disciplinary proceedings

| Carer Responsibility | All Staff | Full Time | Part Time |
|-----------------------------|------------------|------------------|------------------|
| No | 93% | 91% | 100% |
| Yes | 7% | 9% | 0% |
| Do not wish to declare | 0% | 0% | 0% |

Analysis by Protected Characteristic

Disability

Disability Profile of Workforce

- 18% of employees have stated that they have a disability. 80% do not have a disability. This data suggests that level of employees with a disability within our workforce is similar to the Scottish Working age population as a whole.

Declaration of disability is similar between full and part time staff.

Disability and Grievance

- There have been no recorded grievances

Disciplinary Proceedings

- There have been no disciplinary proceedings

| Disability | All Staff | Full Time | Part Time |
|------------------------|------------------|------------------|------------------|
| No | 80% | 79% | 82% |
| Yes | 18% | 18% | 18% |
| Do not wish to declare | 2% | 3% | 0% |

Analysis by Protected Characteristic

Gender Reassignment

Workforce Profile by Gender Reassignment

- None of the workforce declared that they have undergone gender reassignment

Gender Reassignment and Grievance

- There have been no recorded grievances

Disciplinary Proceedings by Gender Reassignment

- There have been no disciplinary proceedings

| Gender Reassignment | All Staff | Full Time | Part Time |
|----------------------------|------------------|------------------|------------------|
| No | 100% | 100% | 100% |
| Yes | 0 | 0 | 0 |
| Do not wish to declare | 0 | 0 | 0 |

Analysis by Protected Characteristic

Marital Status & Civil Partnership

Workforce Profile by Marital/ Civil Partnership Status

- 62% of the Board's employees are married. 27% have never been married or registered in a same sex partnership. 7% are divorced, and 4% are married and separated.
- 73% of our part time workforce are married.

Marital Status, Civil Partnership and Grievance

- There have been no recorded grievances

Disciplinary Proceedings

- There have been no disciplinary proceedings

| Marriage and Civil Partnership | All Staff | Full Time | Part Time |
|---|------------------|------------------|------------------|
| Divorced | 7% | 6% | 9% |
| Formerly in same sex partnership which is now legally dissolved | 0% | 0% | 0% |
| In registered same sex civil partnership | 0% | 0% | 0% |
| Married | 62% | 59% | 73% |
| Never married or registered in same sex partnership | 27% | 32% | 9% |
| Separated but married | 4% | 3% | 9% |
| Separated but still in same sex civil partnership | 0% | 0% | 0% |
| Surviving partner from same sex civil partnership | 0% | 0% | 0% |
| Widowed | 0% | 0% | 0% |
| Do not wish to declare | 0% | 0% | 0% |

Analysis by Protected Characteristic

Pregnancy and Maternity

Return to Work of Women on Maternity Leave

- There were three members of staff on or returned from Maternity Leave during the period.

| Staff Pregnant | Maternity under 26 weeks |
|----------------|--------------------------|
| 0 | 0 |

Analysis by Protected Characteristic

Race

Racial Profile of Workforce

- 100% of staff are British, English, Northern Irish or Scottish.

Grievance by Ethnicity

- There have been no recorded grievances

Disciplinary Proceedings by Ethnicity

- There have been no disciplinary proceedings

| Race | Collective Group | All Staff | Full Time | Part Time |
|--------------------------------|-------------------------|------------------|------------------|------------------|
| British, English, NI, Scottish | White | 100% | 100% | 100% |

Analysis by Protected Characteristic

Religion and Belief

Profile of Workforce

- 71% of staff declared as Christian, 29% have no religion.
- 82% of our part time workforce and 68% of our full time workforce are Christian

Grievance by Religious Belief

- There have been no recorded grievances

Disciplinary Proceedings by Religious Belief

- There have been no disciplinary proceedings

| Religion and Belief | All Staff | Full Time | Part Time |
|------------------------|-----------|-----------|-----------|
| Buddhist | 0% | 0% | 0% |
| Christian | 71% | 68% | 82% |
| Hindu | 0% | 0% | 0% |
| Jewish | 0% | 0% | 0% |
| Muslim | 0% | 0% | 0% |
| No Religion | 29% | 32% | 18% |
| Other | 0% | 0% | 0% |
| Sikh | 0% | 0% | 0% |
| Do not wish to declare | 0% | 0% | 0% |

Analysis by Protected Characteristic

Sex

Gender Profile of Workforce

- The Board's workforce is predominantly female, with 67% of employees being female and 33% male. However this is slightly closer to parity than the national position within local authorities, where 69.5% (141,000) of people in employment in Local Authorities in Scotland are female compared with 30.5% (62,000) being male.¹
- Our Part time workforce is predominantly female

Grievances by Gender

- There have been no recorded grievances

Disciplinary Proceedings by Gender

- There have been no disciplinary proceedings

| Gender | All Staff | Full Time | Part Time |
|---------------|------------------|------------------|------------------|
| Female | 67% | 59% | 91% |
| Male | 33% | 41% | 9% |

¹ <http://www.scotland.gov.uk/Topics/Statistics/Browse/Labour-Market/PublicSectorEmployment/PSEwebtables> 2102

Analysis by Protected Characteristic

Sexual Orientation

Workforce profile by Sexual Orientation

- 100% of the staff are heterosexual straight.

Grievance by Sexual Orientation

- There have been no recorded grievances

Disciplinary Proceedings by Sexual Orientation

- There have been no disciplinary proceedings

| Sexual Orientation | All Staff | Full Time | Part Time |
|---------------------------|------------------|------------------|------------------|
| Bisexual | 0 | 0 | 0 |
| Gay or Lesbian | 0 | 0 | 0 |
| Heterosexual straight | 100% | 100% | 100% |
| Other | 0 | 0 | 0 |
| Do not wish to declare | 0 | 0 | 0 |

Recruitment Monitoring for 2018/19

The Joint Board use of the National Recruitment Portal (www.myjobscotland.gov.uk) means that submitting equalities data is not mandatory for applicants and is not made available to the recruitment panel, other than disability information. If a candidate meets the minimum job requirements and states that they have a disability then they are guaranteed an interview.

The Board is supported in our recruitment processes by West Dunbartonshire Council. The recruitment portal has recently expanded the equalities monitoring information to include all protected characteristics although the categories within the protected characteristics in some instances do not mirror exactly those within our employee survey.

During 2018/19 The Board advertised 3 posts. Due to the possibility of identifying individuals from this, no equality information will be published for the successful applicants other than that contained within our overall workforce monitoring.

The following information relates to the applications received for the posts.

| Age Range | Percentage of Applicants |
|------------------------|--------------------------|
| 16 -17 | 3% |
| 18 -21 | 10% |
| 22 – 30 | 27% |
| 31 – 40 | 17% |
| 41 – 50 | 23% |
| 51 – 60 | 17% |
| 61 – 65 | 0% |
| 66 – 70 | 0% |
| 71+ | 0% |
| Do not wish to declare | 3% |

| Carer Responsibility | Percentage of Applicants |
|------------------------|--------------------------|
| No | 70% |
| Yes | 30% |
| Do not wish to declare | 0% |

| Disability | Percentage of Applicants |
|------------------------|--------------------------|
| No | 90% |
| Yes | 10% |
| Do not wish to declare | 0% |

| Gender Reassignment | Percentage of Applicants |
|------------------------|--------------------------|
| No | 100% |
| Yes | 0% |
| Do not wish to declare | 0% |

| Marriage and Civil Partnership | Percentage of Applicants |
|---------------------------------------|---------------------------------|
| Divorced | 0% |
| Living with Partner | 7% |
| Married / Civil Partnership | 33% |
| Single | 57% |
| Separated | 0% |
| Do not wish to declare | 3% |

| Ethnicity | Percentage of Applicants |
|--------------------------------------|---------------------------------|
| White British, English, NI, Scottish | 83% |
| Asian Pakistani | 0% |
| Asian Chinese | 0% |
| Black African | 0% |
| Other | 10% |
| Do not wish to declare | 7% |

| Religion and Belief | Percentage of Applicants |
|----------------------------|---------------------------------|
| Buddhist | 0% |
| Christian | 33% |
| Muslim | 3% |
| No Religion | 53% |
| Humanist | 0% |
| Do not wish to declare | 10% |

| Gender | Percentage of Applicants |
|------------------------|---------------------------------|
| Female | 80% |
| Male | 17% |
| Do not wish to declare | 3% |

| Sexual Orientation | Percentage of Applicants |
|---------------------------|---------------------------------|
| Bisexual | 0% |
| Gay or Lesbian | 3% |
| Heterosexual straight | 87% |
| Other | 0% |
| Do not wish to declare | 10% |

Training

Core Training has been introduced. This has formalised the training for a number of topics that are essential for all employees to undertake. Topics within this include Equalities, Health and Safety and Information Security.

DABVJB has enhanced the focus for online training through the i-learn platform provided via West Dunbartonshire Council. These online training resources can be accessed by employees from either their place of work, from their computer at home or a range of mobile devices. The resource is available 24/7 which means that training is available at a time and place that suits employees with no need for an application or approval.

The Equalities Champion has also attended and participated in a number of events including some organised by The Scottish Government, The Equalities and Human Rights Commission and Close the Gap

Therefore training has been provided and planned across the workforce.

Staff Retention

All members of staff on leaving DABVJB are requested to complete an exit questionnaire including equalities questions. The responses in these questionnaires are considered. During 2018/19 two members of staff left the employment of the Board.

Due to the low numbers involved it would not be appropriate to publish the equalities data.

Pay Gap Reporting

The average hourly rates of pay for our staff as at 31st March 2019 are shown below:

| Grouping | Mean Average Hourly Rate | Difference from All Male |
|------------------|--------------------------|--------------------------|
| All Female | £14.52 | 32.7% |
| All Male | £21.57 | |
| | | |
| Female Full Time | £15.34 | 28.9% |
| Male Full Time | £23.26 | |
| | | |
| Female Part Time | £13.07 | 39% |
| Male Part Time | £14.81 | |

Note: Part time is any employee with a working pattern averaging fewer than 35 hours per week

The gender pay gap is higher than the national average. This is due in part to the predominance of Chartered Surveyors within promoted posts. The Surveying Profession has traditionally been male dominated with only about 15% of RICS members being female. The Board now has 71% of valuer grade (Grade 8) staff female. Along with 75% of trainee valuers being female.

The table below shows the distribution by gender across the pay grades within DABVJB

| Grade | Male | Female |
|----------|------|--------|
| Grade 1 | 100% | 0% |
| Grade 3 | 7% | 93% |
| Grade 4 | 33% | 67% |
| Grade 5 | 0% | 100% |
| Grade 6 | 54% | 46% |
| Grade 7 | 50% | 50% |
| Grade 8 | 29% | 71% |
| Grade 9 | 67% | 33% |
| Grade 10 | 0% | 100% |
| Grade 11 | 100% | 0% |
| CO Grade | 100% | 0% |

Equal Pay Statement

Dunbartonshire and Argyll & Bute Valuation Joint Board (DABVJB) is committed to the principle of equal opportunities for all, in every aspect of employment.

As an employer DABVJB will continuously strive to treat all staff equally as individuals free from any prejudice or other bias and will take action to eliminate any form of discrimination it encounters.

As part of this principle all employees should receive equal pay for the same or broadly similar work, for work rated as equivalent, and for work of equal value.

With this in mind DABVJB will operate a pay and benefits system which is transparent, based on objective criteria, and free from bias.

In support of this commitment to equality in pay, DABVJB will:

- examine existing and future pay practices for all employees to ensure that they comply with best equal pay practice and most current legislation
- carry out regular monitoring of the impact of these practices
- inform employees of how these practices work and how their pay and benefits are arrived at
- provide training and guidance for those involved in making decisions about pay and benefits
- consult on all changes to pay policy with trade union representatives

Through these actions, DABVJB will aim to avoid unfair discrimination in its pay and benefits system and reward fairly the skills, knowledge and competences of all employees.

Equality Outcomes

In 2017 the Board approved the following Equalities outcomes, progress towards meeting them is detailed below:

Equalities Outcome 1:

We are seen as an inclusive equal opportunities employer where all staff feel valued and respected.

Context

Having undertaken our original staff survey the data suggested that disabled employees are under represented within our workforce as information from the Scottish Government shows that nearly 1 in 5 (19%) people of working age in Scotland are disabled.

Similarly, nobody declared themselves to be LGB and being aware of the findings within the 2012 Scottish Household Survey where it was felt that underreporting of this protected characteristic was likely. DAB-VJB is committed to providing an environment where members of our staff can confidently declare their status.

How will we measure this?

| Description | Base line* | Performance Indicator | Update Frequency | Data Source |
|---|------------|--|------------------|---------------------|
| % of our workforce who have declared a disability | 5% | Increase in the percentage of people who self declare a disability | Annual | Annual Staff survey |
| % of our workforce who have stated they are LGB | 0% | Increase in the percentage of people who self declare they are LGB | Annual | Annual staff survey |

*Baseline established from December 2012 staff survey

General Equality Duty

Advance equality of opportunity between people who share a relevant protected characteristic and those that do not.

Progress Made

| Description | Base line December 2012 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 |
|---|-------------------------------|---------|---------|---------|---------|---------|
| % of our workforce who have declared a disability | 5% | 23% | 24% | 19% | 12% | 18% |
| % of our workforce who have stated they are LGB | 0% | 0% | 0% | 0% | 0% | 0% |

Since the adoption of this Equality Outcome we have used our employee information to identify the need to better inform our employees about the protected characteristics. There were a series of information events held covering topics such as the definition found within the Equality Act for Disability, how the information is handled and what it is used for. Information from a variety of groups such as Stonewall and the Equality and Human Rights Commission (EHCR) has also been made available. This has led to an increase in the number members of staff who identified themselves as having a disability and it is now around the same level as the national average for working age population.

The percentage of people declaring themselves to be LGB remains at zero and work will continue to ensure that any LGB members of staff can feel confident about declaring their status. However it should be noted that information contained in the Scottish Government website suggests that there is possibly underreporting of this characteristic for a number of reasons including:

- Asking about sexual orientation/identity is a new development in national surveys and such questions can be seen as intrusive and personal.
- There is still significant prejudice and discrimination against LGB people in society. In a context where some LGB people will not have told friends and family about their sexual identity, there is a real question about whether LGB people generally would want to be open with an employer.
- The default option for being uncertain about one's sexual orientation may be to respond 'straight/heterosexual' rather than to say 'Don't know / not sure'.
- Particular LGB people are still less likely to be open where they belong to groups or communities where an LGB identity is less accepted.

It is within this context that we will continue to try to create an environment where LGB members of staff can feel confident about declaring this characteristic.

Progress

The progress made with the declaration of disability within the workforce is encouraging, with the most recent staff survey showing reversal of the dip in declarations that was experienced in 2017/18 however, further monitoring and reinforcing the message with our staff is vital to ensuring that this is imbedded within the organisation.

Whilst there have been no declarations by members of staff that are LGB the work that has been undertaken to increase confidence in the use of staff data is a positive step, as has the provision of information from groups such as Stonewall and the EHCR.

.

Equality Outcome 2:

Our Services meet the needs of, and are accessible to, all members of our community and our staff treat all service users, clients and colleagues with dignity and respect.

Context

Whilst DAB-VJB has consistently achieved high customer satisfaction rates this had not been analysed across all the current protected characteristics. We had no means of knowing if we were providing a consistent level of service throughout the community.

How will we measure this?

| Description | Base line | Performance Indicator | Update Frequency | Data Source |
|--|---|--|------------------|-------------------------------------|
| % of disabled people who rate DAB-VJB as professional, courteous and helpful | To be established in revised customer satisfaction survey | To have similar levels of customer satisfaction across all protected characteristics | Annual | Annual Customer Satisfaction Survey |
| % of Females who rate DAB-VJB as professional, courteous and helpful | To be established in revised customer satisfaction survey | To have similar levels of customer satisfaction across all protected characteristics | Annual | Annual Customer Satisfaction Survey |
| % of Males who rate DAB-VJB as professional, courteous and helpful | To be established in revised customer satisfaction survey | To have similar levels of customer satisfaction across all protected characteristics | Annual | Annual Customer Satisfaction Survey |
| % of People aged 50+ who rate DAB-VJB as professional, courteous and helpful | To be established in revised customer satisfaction survey | To have similar levels of customer satisfaction across all protected characteristics | Annual | Annual Customer Satisfaction Survey |
| % of people under 30 who rate DAB-VJB as professional, courteous and helpful | To be established in revised customer satisfaction survey | To have similar levels of customer satisfaction across all protected characteristics | Annual | Annual Customer Satisfaction Survey |

| | | | | |
|---|---|--|--------|-------------------------------------|
| % of BME people who rate DAB-VJB as professional, courteous and helpful | To be established in revised customer satisfaction survey | To have similar levels of customer satisfaction across all protected characteristics | Annual | Annual Customer Satisfaction Survey |
| % of LGB people who rate DAB-VJB as professional, courteous and helpful | To be established in revised customer satisfaction survey | To have similar levels of customer satisfaction across all protected characteristics | Annual | Annual Customer Satisfaction Survey |
| % of Heterosexual people who rate DAB-VJB as professional, courteous and helpful | To be established in revised customer satisfaction survey | To have similar levels of customer satisfaction across all protected characteristics | Annual | Annual Customer Satisfaction Survey |
| % of people from minority religions who rate DAB-VJB as professional, courteous and helpful | To be established in revised customer satisfaction survey | To have similar levels of customer satisfaction across all protected characteristics | Annual | Annual Customer Satisfaction Survey |
| % of Christians who rate DAB-VJB as professional, courteous and helpful | To be established in revised customer satisfaction survey | To have similar levels of customer satisfaction across all protected characteristics | Annual | Annual Customer Satisfaction Survey |
| % of those with no religious belief who rate DAB-VJB as professional, courteous and helpful | To be established in revised customer satisfaction survey | To have similar levels of customer satisfaction across all protected characteristics | Annual | Annual Customer Satisfaction Survey |

General Equality Duty

Advance equality of opportunity between people who share a relevant protected characteristic and those that do not.

Progress Made

The outcomes of the last five Customer Satisfaction surveys are detailed in the table below. The very positive outcome across the protected characteristics is welcomed, however, this has to be viewed in the context of the relatively small sample size.

In 2018/19 The Customer Satisfaction process was changed from a paper based survey to an on line return, following a review during the year a paper based option was reinstated along with the on line return. The lower rating of returns from the BME community in 2016/17 and 2018/19 is of concern. These returns have been reviewed and there does not appear to be a pattern or common theme. Due to the low numbers involved the negative responses within the BME category amounted to one in each of the years. This will continue to be monitored to identify if any improvements in our service can be made.

| Description | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 |
|--|---------|---------|---------|---------|---------|
| % of all respondents who rate DAB-VJB as professional, courteous and helpful | 99% | 97% | 97% | 99% | 94% |
| % of disabled people who rate DAB-VJB as professional, courteous and helpful | 100% | 85% | 100% | 100% | 96% |
| % of Females who rate DAB-VJB as professional, courteous and helpful | 100% | 98% | 97% | 99% | 97% |
| % of Males who rate DAB-VJB as professional, courteous and helpful | 100% | 95% | 97% | 99% | 92% |
| % of People aged 50+ who rate DAB-VJB as professional, courteous and helpful | 100% | 96% | 98% | 98% | 96% |
| % of people under 30 who rate DAB-VJB as professional, courteous and helpful | 100% | 94% | 94% | 100% | 94% |
| % of BME people who rate DAB-VJB as professional, courteous and helpful | 100% | 100% | 75% | 100% | 75% |

| | | | | | |
|---|------|------|------|------|------|
| % of LGB people who rate DAB-VJB as professional, courteous and helpful | 100% | 100% | 100% | 100% | 100% |
| % of Heterosexual people who rate DAB-VJB as professional, courteous and helpful | 99% | 98% | 98% | 99% | 96% |
| % of people from minority religions who rate DAB-VJB as professional, courteous and helpful | 100% | 100% | 100% | 100% | 100% |
| % of Christians who rate DAB-VJB as professional, courteous and helpful | 99% | 98% | 99% | 98% | 96% |
| % of those with no religious belief who rate DAB-VJB as professional, courteous and helpful | 100% | 96% | 95% | 100% | 87% |

A large print version or a translation of this document into other languages can be provided.

Gabhaidh tionndadh anns a' chlà mhòr no eadar-theangachadh den sgrìobhainn seo ann an cànanan eile toirt seachad. Cuiribh fios gun chosgais gu: 0800 980 0471

可提供此文件的大体字版本或译文。欲联络，请拨打免费电话：
0800 980 0471

اس دستاویز کو بڑے حروف کی چھپائی میں یا دوسری زبانوں میں اس کا ترجمہ فراہم کیا جاسکتا ہے۔ برائے مہربانی 0800 980 0471 پر مفت فون کریں۔

यह दस्तावेज़ बड़े अक्षरों की छपाई और आपकी भाषा में उपलब्ध कराई जा सकती है। कृपया इस नंबर पर मुफ्त फ़ोन करें: 0800 980 0471

ਇਹ ਦਸਤਾਵੇਜ਼ ਵੱਡੇ ਅੱਖਰਾਂ ਵਿਚ ਵੀ, ਜਾਂ ਇਹਦਾ ਤਰਜਮਾ ਕਿਸੇ ਹੋਰ ਭਾਸ਼ਾ ਵਿਚ ਵੀ ਦਿੱਤਾ ਜਾ ਸਕਦਾ ਹੈ। ਇਹ ਲੈਣ ਲਈ ਕਿਰਪਾ ਕਰਕੇ ਇਸ ਨੰਬਰ 'ਤੇ ਮੁਫਤ ਫ਼ੋਨ ਕਰੋ - 0800 980 0471

DUNBARTONSHIRE AND ARGYLL AND BUTE VALUATION JOINT BOARD**Report by the Clerk****Valuation Joint Board – 25 September 2019**

Subject – Review of Standing Orders**1. Purpose of report**

- 1.1** To seek approval of a revised version of the Joint Board's Standing Orders as shown in the Appendix to this report.

2. Background

- 2.1** The Joint Board's Standing Orders were last reviewed in February 2017 to align with changes made to West Dunbartonshire Council's Procurement Procedures as a consequence of legislative changes.
- 2.2** Following a further review, West Dunbartonshire Council has made subsequent changes to its Financial Regulations which are now reflected in the Contracts Section of the attached standing orders.
- 2.3** In addition, further revisions have been made to the Joint Board's Standing Orders to bring them into line with West Dunbartonshire Council's Standing Orders. While most of the changes are unlikely to have any impact on the operation of Joint Board meetings, officers were of the view that in the interest of consistency and clarity it was prudent to update the Standing Orders at this point.

3. Main issues

- 3.1** In terms of the application of good governance it is right that the Joint Board should conduct regular reviews of its procedures to ensure that they are fully compliant with changes to legislation and that they are still fit for purpose.
- 3.2** A complete set of the revised Standing Orders with all the proposed changes highlighted is attached for consideration. In many cases the changes have been made to improve the wording or to align with changes to West Dunbartonshire Council's Standing Orders which have been modified over the years to take account of issues which had not occurred previously. For example, the wording 'Any request for urgent business must be intimated to the Convener and the Assessor no later than 2 hours the scheduled start of the meeting' was added to Standing Order 6.2 in order to prevent such motions being presented to the Chair immediately before the meeting when he/she would not have sufficient time to consider the matter of urgency or

consult with the Assessor. Another example of this type of practical change can be found in Standing Order 7.1, where, in the interest of transparency and fairness, additional wording has been included to prevent questions being asked about documents which have not been published with the agenda and therefore would not be available to Members, officers or the public. The wording of Standing Order 17.2 has been amended to close a loophole in existing Standing Orders whereby it may have been possible for the Assessor to be dismissed by a Sub-Committee of the Board and not the full Board, as is required by legislation. Finally, the section on Contracts (Standing Order 16 refers) has been amended to reflect recent changes to West Dunbartonshire Council's Financial Regulations to ensure a consistent approach to procurement among relevant officers.

- 3.3** The Board will be aware of the ongoing discussions around the continued membership of the United Kingdom of the European Union. Should the United Kingdom leave the European Union there may be changes to procurement legislation. In such circumstances, it is recommended that the Strategic Lead Regulatory should be delegated responsibility to make necessary amendments to the appropriate terms of the Standing Orders to reflect any legislative changes arising from such a change.

4. Recommendations

- 4.1** The Joint Board is asked to approve the Revised Standing Orders as appended to this report and agree that the Strategic Lead - Regulatory be delegated responsibility to make necessary amendments to the appropriate terms of the Standing Orders to reflect any legislative changes arising from the United Kingdom leaving the European Union.

| | |
|---------------------------|---|
| Person to Contact: | George Hawthorn, Manager of Democratic and Registration Services, Municipal Buildings, College Street, Dumbarton. Telephone 01389 737204 or email: george.hawthorn@west-dunbarton.gov.uk |
| Appendix: | Proposed Standing Orders for Dunbartonshire and Argyll and Bute Valuation Joint Board, as at September 2019. |
| Background Papers: | None |

DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD

STANDING ORDERS (as amended July 2019)

DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD

STANDING ORDERS - INDEX

- 1.0 Constitution and Appointment of Members
- 2.0 Duration and Termination of Membership
- 3.0 Conveners and Depute Conveners
- 4.0 Meetings
- 5.0 Calling of Meetings
- 6.0 Order of Meeting
- 7.0 Questions
- 8.0 Admission of Press and Public
- 9.0 Powers and Duties of Convener
- 10.0 Adjournment
- 11.0 Order of Debate
- 12.0 Motions and Amendments
- 13.0 Suspension of Members
- 14.0 Voting
- 15.0 Suspension of Standing Orders
- 16.0 Contracts
- 17.0 Sub-Committees
- 18.0 Disability of Members – Contracts Etc.
- 19.0 Assessor

DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD

STANDING ORDERS

1.0 CONSTITUTION AND APPOINTMENT OF MEMBERS

- 1.1 The Board shall have a total of 16 members. Argyll and Bute Council and West Dunbartonshire Council shall each appoint 5 members. East Dunbartonshire Council shall appoint 6 members.
- 1.2 The constituent authorities of the Board may at any time by unanimous agreement alter the total number of members of the Board or the number of members to be appointed by any constituent authority, provided that the numbers of members to be appointed by the constituent authorities shall remain, as near as possible, in the same proportion as that specified in Standing Order 1.1.
- 1.3 The Members of the Board shall be appointed at the first Meeting of each constituent authority after each ordinary election, or as soon as possible thereafter.
- 1.4 A constituent authority may appoint persons as substitute members to attend Meetings of the Board, or any of its Sub-Committees, in the absence of any members appointed to the Board by that authority.
- 1.5 Any person appointed as a member, or a substitute member, of the Board must be a Councillor for the area of the constituent authority making the appointment.
- 1.6 The Board may appoint from its membership such Sub-Committees as it may from time to time consider appropriate or desirable and may refer to any such Sub-Committee such matters as the Board may from time to time specify.

2.0 DURATION AND TERMINATION OF MEMBERSHIP

- 2.1 Subject to Standing Orders 2.2 to 2.4, any person appointed by a constituent authority as a member of the Board shall hold office until the first Meeting of that authority held after the next ordinary election following the date of his/her appointment.
- 2.2 If, prior to the next ordinary election following the date of his/her appointment, a member of the Board ceases to be a Councillor for the area of the constituent authority which appointed him/her, he/she shall immediately cease to be a member of the Board.
- 2.3 A member of the Board may resign his/her membership at any time by written intimation to that effect to the Clerk to the Board and the constituent authority which appointed him/her.

- 2.4 A constituent authority may at any time terminate the membership of any person appointed by it as a member of the Board.

3.0 CONVENERS AND DEPUTE CONVENERS

- 3.1 The Board shall appoint from its membership a Convener and Depute Convener, but the Convener and Depute Convener shall not, at any time, be members of the same constituent authority.
- 3.2 The Convener and Depute Convener of the Board shall each hold office until the date of the next ordinary election following the date of his/her appointment, or the date of his/her ceasing to be a member of the Board, whichever is earlier.
- 3.3 The Convener, or in his absence the Depute Convener, shall preside at all Meetings of the Board. Where both the Convener and the Depute Convener are absent from any Meeting the members present shall appoint a Convener for that Meeting.
- 3.4 In the event of an equality of votes at a Meeting, the Convener of that Meeting shall, subject to Standing Order 3.5, have a casting vote as well as a deliberative vote.
- 3.5 Where there is an equality of votes at a Meeting and the matter which is the subject of the vote relates to the appointment of a member of the Board to any particular office or Sub-Committee of the Board, the decision shall be by lot.

4.0 MEETINGS

- 4.1 The Board shall hold such Meetings as it shall consider necessary for the disposal of its business at such place or places as it may from time to time fix.
- 4.2 The Clerk to the Board shall send copies of the Minutes of all its Meetings to each of its constituent authorities for their information.
- 4.3 The quorum of the Board shall be 4 members provided that, except as hereinafter specified, there shall be at least one member present from each constituent authority. A Meeting of the Board shall be adjourned if any constituent authority is not represented, and if any constituent authority remains unrepresented at the reconvened Meeting, that Meeting may proceed without further adjournment.
- 4.4 If, during or at the scheduled time of commencement of any Meeting of the Board, or of any Sub-Committee, the Convener shall find that there are fewer than a quorum of members present, he/she shall,

after a lapse of 10 minutes, cause the roll to be called and, if a quorum be not then present, the meeting shall be terminated or not take place as appropriate.

5.0 CALLING OF MEETINGS

- 5.1 Except in the case of urgency all Meetings of the Board shall be called by circular containing the Agenda of the Meeting issued by the Clerk to the Board not less than 3 clear working days before the date of the Meeting.

6.0 ORDER OF MEETING

- 6.1 The order of business of the Board at all ordinary Meetings shall proceed (unless otherwise directed by the Convener who may, at his/her discretion, alter the order of business at any stage) in the following order:-

(a) Apologies

(b) Declarations of Interest

(c) Approval and/or amendment of Minutes of Sub-Committees and Board Meetings unless reported for information only.

(d) Business, expressly required by statute to be done at the Meeting.

(e) Business (if any) remaining from the last Meeting.

(f) Reports submitted for consideration

(g) Any correspondence, communications or other business specially brought forward by direction of the Convener.

(h) Motions, of which requisite notice in writing has been given in the order in which they have been lodged.

(i) Questions of which notice in writing has been given.

- 6.2 At all ordinary, special and statutory Meetings of the Board, no business other than that on the Agenda shall be discussed or adopted in terms of Section 50B of the Local Government (Scotland) Act 1973 (hereinafter referred to as the 1973 Act) except where, by reason of special circumstances which shall be specified in the Minutes, the Convener is of the opinion that the item should be considered at the Meeting as a matter of urgency. Any request for urgent business must be intimated to the Convener and the Assessor no later than 2 hours before the scheduled start of the meeting. The Convener will advise

the Board of the terms of the request at this stage. If accepted the Convener will determine where in the order of business the item will be heard.

- 6.3 No member shall be entitled to propose a motion other than one arising directly out of a matter regularly before the Meeting, unless notice of such motion has been given at a previous ordinary Meeting or has been received by the Assessor and/or Clerk in writing at least seven clear days before the date of such Meeting. Such notice of motion shall be entered in a book and kept in his/her office, which book shall be open to inspection by every member of the Board. In the absence of a member who has given notice of a motion, any member may move the motion.

7.0 QUESTIONS

- 7.1 Except when in debate, any member may put a question to the Convener of the Board or any Convener of a Sub-Committee at any Meeting of the Board concerning any relevant and competent business arising upon the Agenda. Any member may also put a question to the Convener of the Board or any Convener of a Sub-Committee at any Meeting of the Board concerning any relevant and competent business not arising upon the Agenda, provided he/she shall have given notice in writing to the Assessor and/or the Clerk which notice must be received by the Assessor and/or the Clerk at least seven clear days prior to the date of such Meeting. No discussion shall be allowed on the questions so put. Questions must relate to the item of business or documents referred to in the associated report as backgrounds papers, or associated material in the public domain. Questions should not relate to other documents that Members or officers may not have sight of.
- 7.2 When a question of order is raised at a Board or Sub-Committee Meeting, no member other than the member who raised the question of order shall speak to that question, except with the permission of the Convener. The decision of the Convener on a question of order shall be final. After a question of order is decided, the member who was addressing the Meeting at the time when it was raised shall be entitled to proceed with the discussion giving effect to the Convener's ruling.

8.0 ADMISSION OF PRESS AND PUBLIC

- 8.1 Subject to the extent of the accommodation available and subject to the terms of Sections 50A and 50E of the 1973 Act, Meetings of the Board and Meetings of any Sub-Committee of the Board shall be open to the public. The Clerk shall be responsible for giving public notice of the time and place of each Meeting of the Board by posting it within the Board's offices not less than three working days before the

date of each Meeting and in the case of Meetings of Sub-Committees held at premises other than the offices of the Board, such public notice may be posted at the premises where the Meeting is to be held.

9.0 POWERS AND DUTIES OF CONVENER

9.1 The Convener shall, amongst other things,

- (a) Preserve order and ensure that every member of the Board shall have a fair hearing.
- (b) Decide all matters of order, competency and relevancy.
- (c) Determine the order in which speakers can be heard;
- (d) Decide whether to have a recess at any point in the meeting.
- (e) Ensure that due and sufficient opportunity is given to members of the Board who wish to speak to express their views on any subject under discussion.
- (f) Require that any motion or amendment shall be stated and/or reduced to writing providing that the Convener shall allow sufficient time for this to be done.
- (g) Maintain order and where any member of the public causes disorderly conduct or other misbehaviour, order the exclusion of any such person.
- (h) Determine all matters of procedure for which no provision is made within these Standing Orders.

9.2 The decision of the Convener on all matters within his/her jurisdiction shall be final and shall not be open to question or discussion.

9.3 Deference shall at all times be paid to the authority of the Convener. He/she shall be heard without interruption.

10.0 ADJOURNMENT

10.1 At any time, including in the event of disorder arising at any Meeting of the Board, the Convener may adjourn the Meeting to a time he/she may then fix, or in his/her absence the Depute Convener of the Board may afterwards fix, and the quitting of the Chair by the Convener, or in his/her absence the Depute Convener of the Board, shall be the signal that the Meeting is adjourned.

- 10.2 The Board may, at any of their Meetings, adjourn the same to such time as they may then fix, failing which as the Convener, or in his/her absence the Depute Convener of the Board, may thereafter fix.
- 10.3 A motion for adjournment of the Meeting may be made at any time (not being in the course of a speech) and shall have precedence over all other motions. It shall be moved and seconded without discussion and shall forthwith be put to the Meeting.
- 10.4 When an adjourned Meeting is resumed, the proceedings shall (subject to the discretion conferred on the Convener under Standing Order 6.1) be commenced at the point at which they were broken off at the adjournment.

11.0 ORDER OF DEBATE

11.1 There should be no debate unless there is an amendment.

- 11.2 The mover of a motion or amendment shall not speak for more than ten minutes, except with the consent of the Board. Each succeeding speaker shall not speak for more than five minutes and shall speak once only in the same discussion. When the mover of a motion or amendment has spoken for nine minutes, or any subsequent speaker for four minutes, the Convener shall draw his/her attention to the fact and the member concerned shall be obliged to finalise speaking when the allotted time is reached otherwise the Convener shall direct the member to cease speaking.
- 11.3 Every member of the Board who speaks at any Meeting of the Board shall address the Convener and shall direct his/her speech:-
- (a) To the matter before the Meeting by proposing, seconding or supporting the motion or any amendment relative thereto, or
 - (b) To a point of order.
- 11.4 No member, **with the exception of the mover of the motion or amendment,** shall speak supporting the motion or any amendment until the same shall have been seconded.
- 11.5 Subject to the right of the mover of a motion, and of the mover of an amendment, to reply no member shall speak more than once on the same question at any Meeting of the Board, except:
- **on a question of order, or,**
 - **with the permission of the Convener, or**

- in explanation or to clear up a misunderstanding in regard to some material part of his/her speech,

in which case he/she shall introduce no new matter.

- 11.6 A member when seconding a motion or amendment, if he/she then declares his/her intention to do so, may reserve his/her speech until a later period in the debate but must exercise this right prior to any right of reply as provided for in Standing Order 11.5.
- 11.7 The mover of an amendment and thereafter of an original motion shall have a right of reply for a period of not more than five minutes, but he/she shall introduce no new matter and, after he/she has commenced his/her reply, no other member shall speak on the question, except as provided in Standing Order 11.5. On these movers having replied, the discussion shall be held closed, and the question shall thereupon be put by the Convener.
- 11.8 No Members shall move or second more than one motion or amendment upon a particular issue, although a Member who has moved or seconded a motion or amendment shall not be precluded from moving or seconding a fresh amendment if the original motion or amendment is not seconded or is withdrawn in terms Standing Order 12.4.
- 11.9 It shall be competent for any member who has not already spoken in a debate, at any time during the debate, to move the closure of such debate. On such motion being seconded, the vote shall be taken, and if a majority of the members present vote for the motion, then the debate shall be closed and subject to the right of the mover of the motion and of the amendment(s) to reply, a vote immediately taken on the subject of the debate.
- 11.10 Any member may indicate his/her desire to ask a question or offer information after a speech by another member and it shall be in the option of the member to whom the question would be directed or information be offered to decline to accept the question or offer of information.
- 11.11 When a motion is under debate, no other motion or amendment shall be moved except in the following circumstances:-
- (a) To close the debate in terms of Standing Order 11.9.
 - (b) To suspend a member in terms of Standing Order 13.1, or
 - (c) To adjourn the debate in terms of Standing Order 10.3.

12.0 MOTIONS AND AMENDMENTS

12.1 It shall be competent for any member of the Board at an ordinary Meeting of the Board to move:-

- (a) A motion arising out of the business regularly before the Meeting, or
- (b) A motion of which the requisite notice has been given and which appears on the programme of business.

12.2 A decision of the Board made within the last six months may only be altered, deleted or rescinded where:-

- i. After taking legal advice, not doing so would either lead to a material breach of any legislative provision, or any determination of a court having jurisdiction or any other legal obligation to a third party; or
- ii. The original Board decision cannot be implemented due to reasons out with the control of the Board.

12.3 Amendments made but not seconded shall not be discussed or recorded in the Minutes.

12.4 A motion or amendment once moved and seconded shall not be altered or withdrawn unless with the consent of the proposer and seconder and the majority of those present

13.0 SUSPENSION OF MEMBERS

13.1 In the event of any member of the Board disregarding the order or authority of the Convener at any Meeting, or being guilty of obstructive or offensive conduct at any Meeting, and the Convener calling the attention of the Meeting to the same, the Board may, on the motion of any member, duly seconded and supported by the vote of a majority of the members present and voting, suspend such member so offending for the remainder of the sitting. No debate shall be allowed on such a motion. The Convener may be entitled to call for such assistance as he/she deems necessary to enforce a decision to suspend taken in terms of this Standing Order.

14.0 VOTING

14.1 All business of the Board shall be decided by a majority vote of those members present and voting except in the case of a motion for the suspension of Standing Orders where a two thirds majority is

required, or in the case of a properly intimated motion for dismissal of the Assessor where a two-thirds majority is also required.

14.2 Where a motion and one amendment only are before the Meeting, the amendment will be taken against the motion with the amendment being voted on first. If there are more amendments than one, the amendment last proposed will be put against that immediately preceding and the amendment then carried against the next preceding and so on until there remains only one amendment, between which the original motion the vote will be taken.

14.3 Where a member has moved an amendment and fails to find a seconder that member shall be entitled to have his/her dissent recorded.

14.4 After the convener has announced the question on which the vote is to be taken, no member shall be permitted to offer an opinion, ask a question or otherwise interrupt the proceedings, nor shall any member be entitled to have his/her vote recorded after he/she has once declined to vote.

14.5 The vote shall be taken by show of hands except where the Board agrees that voting will be by way of Roll Call or Secret Ballot or where on a matter involving potential illegality or breach of any code it is necessary that a Roll Call Vote be held.

15.0 SUSPENSION OF STANDING ORDERS

15.1 Any one or more of the Standing Orders in the case of emergency or upon a motion may be suspended at any Meeting so far as regards any business at such Meeting provided that two thirds of the members of the Board present and voting shall so decide. Any motion to suspend standing orders shall state the number or terms of the standing order (s) to be suspended.

16.0 CONTRACTS

16.1 These Standing Orders apply to all contracts for the supply of goods or materials or for the execution of works or for the provision of services (after referred to as Supplies, Works and Services). Where such contracts are regulated by any legislation or any Directive of the European Union and there is a conflict between the terms of that legislation or that Directive and the terms of these Standing Orders, the terms of the legislation or Directive shall prevail.

16.2 No Tender shall be invited or contract entered into unless the estimated expenditure has been previously approved by the Board.

Part 16 of the Standing Orders will be read in conjunction with the Financial Regulations– ‘Procurement Financial Regulations’.

- 16.3 The Board may invite tenders in one of the methods specified in the Procurement Financial Regulations, to ensure appropriate competition and the delivery of Best Value, except where there is an emergency involving danger to life or property. In those cases the Assessor may authorise the expenditure immediately

The Board may invite tenders in one of the methods specified in the Financial Regulations, to ensure appropriate competition and the delivery of Best Value.

16.4 Cancellation

Every contract shall contain a clause entitling the Board to terminate the contract and to recover from the contractor the amount of any loss resulting from such termination if the contractor or his/her representative (whether with or without the knowledge of the contractor) shall have practised collusion in tendering for the contract or any other contract with the Board or shall have employed any corrupt or illegal practices either in the obtaining or execution of the contract or any other contract with the Board.

16.5 Assignment

Except where otherwise provided in the contract a contractor shall not assign or sub-let a contract or any part thereof without the prior written consent of the Board.

16.6 Liquidated Damages

All contracts which are estimated to exceed £30,000.00 in value or amount, and which are for the provision of Supplies, Works or Services and which are to be implemented by the contractor by a specific date or a series of dates shall provide for liquidated damages.

16.7 Performance Bonds or Guarantees

Where a contract is estimated to exceed £250,000.00 in value or amount and is for provision of Supplies, Works or Services and is to be implemented by the contractor by a specific date or series of dates the Board shall require and take a Bond or Guarantee of sufficient security for the due performance of the contract.

16.8 Tendering Procedures

- (a) The Board shall not be obliged to accept the lowest or any other tender, and may where it has indicated its intention to do so in

the tender documentation, award on the basis of the Most Economically Advantageous Tender for the Board.

- (b) The detailed procedures specified in the Procurement Financial Regulations will apply to all Tenders received.
- (c) All Tenders in excess of £50,000.00 shall be subject to checking by the Assessor who shall thereafter prepare and submit to the Board a written report in respect of all Tenders received and containing a specific recommendation as to the acceptance or otherwise for each Tender and the reasons therefor.

16.9 Exceptions to Tender Requirements

Tenders shall not be required in the following situations:-

- (a) Where the detailed provisions of the Procurement Financial Regulations permit the award of a contract without a Tender.
- (b) Where the contract is certified by the Assessor to be required so urgently as not to permit the invitation of Tenders, subject to a full report being submitted to the next Meeting of the Board.

16.10 Payment of Accounts

No account will be presented for payment unless its accuracy is certified by the Assessor or person nominated by the Assessor concerned.

17.0 SUB-COMMITTEES

- 17.1 The foregoing Standing Orders shall, as far as these are applicable, be the Rules and Regulations for the proceedings of Sub-Committees and the term Convener shall be understood to include the Convener of any Sub-Committee but only in relation to such Sub-Committees.
- 17.2 The voting at a Sub-Committee shall be as required at a meeting of the Board, except in relation to the dismissal of the Assessor (Standing Order 14.1) which can only be determined by the full Joint Board.
- 17.3 Minutes of Meetings of Sub-Committees which have been adopted by the Board shall be submitted to the next Meeting of each appropriate Sub-Committee for signature by the Convener of that Meeting.
- 17.4 When any matter is remitted to a Sub-Committee with powers the resolution of such Sub-Committee with regard to it may be carried out without waiting for the approval of the Board but it shall be reported for information to the next Meeting of the Board.

18.0 DISABILITY OF MEMBERS – CONTRACTS ETC.

- 18.1 A member shall be excluded from a Meeting of the Board or of any Sub-Committee appointed by the Board while there is under consideration any contract, proposed contract or other matter in which such member has a pecuniary interest within the meaning of the 1973 Act.

19.0 ASSESSOR

- 19.1 Any reference to Assessor in the foregoing Standing Orders shall be deemed to include a reference to Depute Assessor.

DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD

Report by Treasurer

Valuation Joint Board - 25 September 2019

Subject: Update to the Valuation Joint Board Financial Regulations

1. Purpose

- 1.1 The purpose of this report is to seek Members' approval to a number of amendments in the Financial Regulations.

2. Background

- 2.1 The Dumbarton and Argyll & Bute Valuation Joint Board (the Board) is required in terms of section 81 of The Local Government (Scotland) Act 1973, to have Standing Orders with respect to making contracts and in terms of section 95, to make arrangements for the proper administration of its financial affairs - the Financial Regulations.
- 2.2 The Financial Regulations were last revised on 25 November 2016.
- 2.3 Following revisions of Procurement guidance at EU and Scotland level, the Financial Regulations have been reviewed and revised to reflect best practice.

3. Main Issues

- 3.1 The revised Financial Regulations is annexed to this report. The majority of the proposed changes are within section P of the report in relation to procurement processes.
- 3.2 Due to ongoing uncertainty around the UK membership of the EU, it is recommended that the Board delegates authority to the Treasurer, together with the Strategic Lead – Regulatory, to make necessary amendments to the Financial Regulations should the United Kingdom leave the European Union and procurement legislation subsequently changes.
- 3.3 The proposed procurement revisions reflect current procurement legislation, case law, current best practice, guidance and to provide clear processes over financial management practice. The Financial Regulations should be read in conjunction with the Board's Standing Orders.
- 3.4 The Financial Regulations have been fully reviewed and updated and many of the updates relate to job title changes, together with updating to recognise wider uses of electronic processes, etc.
- 3.5 The most significant of the proposed revisions, within Section P – Procurement; and the effect of the changes are as follows:

| Revisions | Effect |
|---|---|
| Updating the roles and responsibilities of the Procurement Manager; Strategic Lead – Regulatory and AERO relative to procurement. | Ensures clarity of roles and responsibilities. |
| Increase the Quick Quote (online procurement process for quotations) limit for Works contracts to £0.5m from £0.05m. | To provide a potentially a faster turnaround time and more opportunities for local small / medium sized enterprises to be awarded the contracts. |
| Introduction of Contract Strategy and Contract & Supplier Management provisions. | To ensure that basic project management provisions are adhered to. |
| Introduction of advanced payments provisions. | Provides a level of flexibility for the Board should it be required. Advance payments to firms should be exceptional and should only be considered if a Best Value case can be made for them. |
| Introduction of contract variations provisions. | Sets-out a process for officers to follow when there is an increase in a contract value. |

- 3.6** By raising the threshold for works contracts to £0.500m for Quick Quotes, the Board will be able to target local companies.
- 3.7** It is proposed that the revised Financial Regulations will take effect on 1 November 2019 to allow appropriate guidance, etc. to be updated following approval.
- 3.8** Subject to the approval of the recommendations of this report, appropriate procurement awareness training course content and guidance will be made available to staff involved in the procurement of goods, works and services on behalf of the Board.
- 3.9** There are no direct financial or procurement implications arising from this report however implementing the proposed revisions in this report will provide greater clarity on roles, responsibilities and procedures relating to procurement.
- 3.10** The proposed revisions to the Financial Regulations will ensure that the Board operates best practice procurement policies and procedures which will enable the Board to lever its spend to optimise contribution to the Board's strategic priorities.'

4. Recommendations

4.1 Members are asked to:

- i) approve the revised Financial Regulations; and
- ii) delegates authority to the Treasurer, together with the Strategic Lead – Regulatory, to make necessary amendments to the Financial Regulations should the United Kingdom leave the European Union and procurement legislation subsequently changes.

.....
Stephen West
Treasurer
Date: 10 September 2019

Person(s) to Contact: Stephen West, Treasurer
Telephone: (01389) 737191
Email: Stephen.west@west-dunbarton.gov.uk

Appendix: Revised Finance Regulations

DUNBARTONSHIRE and ARGYLL and BUTE VALUATION JOINT BOARD**Financial Regulations****INDEX****A. FINANCIAL ADMINISTRATION**

1. Responsibility of Board
2. Responsibility of Treasurer
3. Treasurer as Adviser
4. Assessor Responsible for Resources
5. Assessor to Consult Treasurer
6. Best Value

B. ESTIMATES

1. Form of Estimates
2. Preparation of Estimates
3. Determination Process
4. Estimates Timetable
5. Long Term Capital Programme
6. Authority to proceed with Capital Projects
7. Updates to Capital Programmes

C. CONTROL OF EXPENDITURE

1. Need to Budgetary Provision
2. Virement
3. Overspendings
4. Report on Capital and Revenue Schemes
5. Need for Board Consent to Expenditure
6. Capital Funding
7. Responsibility for Budgetary Control

D. CONTROL OF INCOME

1. Determination and Alteration of Charges
2. Accounting Arrangements
3. Notification of Income to Treasurer
4. Write-Offs
5. Treatment of Monies Collected
6. Forms, Books and Tickets
7. Personal Cheques
8. Transfers of Money
9. Government Grants

E. BANKING, CONTROL OF CHEQUES, BORROWING AND INVESTMENTS

1. Arrangement with Bankers
2. Payments into Bank
3. Cheque Control
4. Aggregation of Fund Balances
5. Delegation to Treasurer
6. Investments
7. Borrowing

F. STORES, INVENTORIES AND COSTING

1. Costing Systems and Stores Control
2. Custody of Stores and Stocktaking
3. Write-Offs or Surpluses of Stores
4. Disposal of Surplus Plant, etc.
5. Inventories
6. Stock Levels

G. ORDER BOOKS AND PAYMENT OF ACCOUNTS

1. Official Orders
2. Exemption from Official Orders
3. Central Purchasing and Standardisation
4. Check on Goods and Services Received
5. Certification by Assessor
6. Authorised Signatures
7. Duplicate Invoices, etc.
8. Corporate Services Department (Finance) Checks
9. Amendments to Payments Vouchers
10. Electronic Procurement
11. Employee Code of Conduct

H. ACCOUNTING

1. Accounting Procedures and Records
2. Internal Checks
3. Year-end Accounting Returns
4. Year-end Final Accounts

I. INTERNAL AUDIT AND VALUE FOR MONEY

1. Continuous Internal Audit
2. Authority of Audit
3. Contract Audit
4. Business Irregularities

J. CASH IMPRESTS

1. Provision of Imprest
2. Bank Accounts for Imprest Holders
3. Exclusion of Income Collected
4. Limit on Expenditure – cash imprest
5. Limit on Expenditure – Credit Cards and Purchase cards
6. Statement of Account – imprest
7. Accounting for Purchase Card Expenditure
8. Termination as Imprest Holder
9. Insurance Cover

K. CLAIMS FOR EXPENSES AND ALLOWANCES

1. Arrangement for Claims
2. Submission of Claims
3. Payment of Claims
4. Certification of Claims

L. SALARIES, WAGES AND PENSIONS

1. Arrangement for Payments
2. Application of National Agreements
3. Notification
4. Appointments
5. Form and Certification of Records

M. SECURITY

1. Responsibility for Security
2. Limits to Cash Holdings
3. Safe Keys
4. Computer Security
5. Pre-printed/Pre-signed Cheques, etc.

N. INSURANCE

1. Treasurer - Responsible for Insurance
2. Notification of Risks
3. Notification of Claims
4. Fidelity Guarantee Insurance
5. Review of Insurance Cover

O. CAPITAL AND REVENUE FUNDS AND RESERVES

1. Policy for Administration
2. Board Consideration

P. PROCUREMENT - CONTRACTS FOR SUPPLIES, WORKS AND SERVICES

1. Application of These Financial Regulations
2. Standing Orders
3. Pre-requisites for Procurement
4. Value of Contracts
5. Above £50K Disaggregation
6. Contracts Governed by These *Financial Regulations*
7. Specific Exemptions to These Financial Regulations
8. Application of and Departure from Requirements of Financial Regulations
9. Procurement Responsibility for Contracts

10. Commodity / Contract Strategy and Contract & Supplier Management
11. Minimum Contract Provisions
12. Contract Documents
13. Supplementary Procedures
14. Lists
15. Compliance with Domestic Procurement Law and EU Procurement Directives
16. Choice of Procurement Procedure
17. Advertising and Publicity for Contracts
18. Restricted Procedure
19. Open Procedure
20. Negotiated Procedure
21. Competitive Procedure with Negotiation, the Competitive Dialogue Procedure & Innovation Partnerships
22. Framework Agreement and Dynamic Purchasing System Call-Offs
23. E-procurement
24. Electronic Reverse Auctions
25. Advanced Payments
26. Contract Variation
27. Contract Database
28. Reports on Procurement Matters
29. Payment Arrangements
30. Pecuniary Interest of Members or Officers

Q.COMPLIANCE OF MEMBERS AND OFFICERS

1. Members Code
2. Officers Code
3. Other Regulations
4. Scheme of Delegation

R. OBSERVANCE OF FINANCIAL REGULATIONS

1. Responsibility of Assessor
2. Breach of Regulations

S. REVIEW OF FINANCIAL REGULATIONS

1. Review of Financial Regulations
2. Variation and Revocation

Dunbartonshire and Argyll and Bute Valuation Joint Board
Financial Regulations

A. FINANCIAL ADMINISTRATION

- | | |
|---------------------------------------|--|
| 1. Responsibility of the Board | The Board is responsible for directing and monitoring the administration of its financial affairs. |
| 2. Responsibility of Treasurer | The Treasurer shall be responsible, under the general direction of the Board, for the proper administration of the Board's financial affairs. |
| 3. Treasurer as Adviser | As the Board's financial adviser, the Treasurer shall report to the Board with respect to the level of resources proposed to be utilised in each financial year and shall keep the Board informed with respect to its finances and financial performance. |
| 4. Assessor Responsible for Resources | The Assessor is responsible for the security, custody and control of all resources including plant, buildings, materials, cash and stores, etc. appertaining to the Board |
| 5. Assessor to Consult Treasurer | <p>The Assessor, with respect to any matter within his purview which is liable to materially affect the finances of the Board, shall consult with the Treasurer before any provisional or other commitment is incurred or before reporting thereon to the Board.</p> <p>The question of materiality will be the subject of guidance from the Treasurer. Such guidance will form part of these regulations. Matters covered by approved budgets are excluded from this requirement.</p> |
| 6. Best Value | <p>In securing best value, the Board shall maintain an appropriate balance among:</p> <ul style="list-style-type: none">• The statutory duties of the Assessor and Electoral Registration Officer (AERO)• The quality of its performance of its functions;• The cost to the Board of that performance; and• The cost to persons of any service provided by it for them on a wholly or partly rechargeable basis. <p>In maintaining that balance, the Board shall have regard to:</p> <ul style="list-style-type: none">• Efficiency;• Effectiveness;• Economy; and• The need to meet the equal opportunity requirements <p>The Board shall discharge its duties under this section in a way which contributes to the achievement of sustainable development.</p> |

B. ESTIMATES

- | | |
|---|--|
| 1. Form of Estimates | Subject to the direction of the Board, the detailed form of capital and revenue estimates shall be determined by the Treasurer in accordance with normal professional practice. |
| 2. Preparation of Estimates | <p>It shall be the duty of the Treasurer to:</p> <ul style="list-style-type: none">• Prepare a revised Long-term Finance Strategy for the Board each financial year as part of the Estimates process: and• Prepare annual estimates on revenue and capital accounts relating to all service areas and services of the Board. <p>For these purposes the Assessor shall furnish the Treasurer each year, at dates determined by the Treasurer, all necessary information regarding the requirements of the Board.</p> |
| 3. Determination Process | <p>After preparation, the estimates shall be submitted to the Board for consideration within guidelines defined by the Board.</p> <p>After consideration by the Board, the estimates (after adjustment if appropriate), shall be approved. The Board shall thereafter determine the amount to be requisitioned from each constituent Council.</p> |
| 4. Estimates Timetable | The timetable for the process of Estimates shall be in accordance with that determined by the Board. |
| 5. Long Term Capital Programme | <p>A capital programme shall be prepared annually by the Assessor in conjunction with the Treasurer for submission to the Board for approval. Thereafter the Board shall consider and approve as appropriate.</p> <p>The Board shall thereafter determine the amount to be requisitioned from each constituent Council.</p> |
| 6. Authority to Proceed with Capital Projects | The inclusion of a project in the capital programme does not, of itself, authorise expenditure and the provisions in Standing Orders as to the place of contracts and Board approval shall apply. |
| 7. Updates to Capital Programmes | Should any slippage or other unforeseen factor arise such as would materially alter assumptions underlying the programme or the likely spend under any heading, where approval is required prior to the next appropriate Board meeting, then the Assessor, after consultation with and agreement of, the Treasurer and the Board's Convenor, will amend the programme accordingly. Any such amendment will be reported to the next appropriate Board meeting as part of the usual Budgetary Control Reporting regime. |

C. CONTROL OF EXPENDITURE

- | | |
|--|---|
| 1. Need for Budgetary Provision | No expenditure shall be incurred unless included in the annual estimates or covered by a supplementary estimate approved by the Board after the submission of a report thereon or where funded by additional external grant. |
| 2. Virement | Transfer of approved estimates from one head of expenditure to another will be subject to the approval of the Treasurer and, if considered to affect materially the approved budget, the Board. |
| 3. Overspendings | Where it appears that the amount of any head of estimate of approved expenditure may be significantly exceeded or the amount of any head of approved income may fall significantly short of that estimated, it shall be the duty of the Assessor, after consultation with the Treasurer, to inform the Board of the estimated amount of the deviation, the reasons for the deviation and the options for addressing it. |
| 4. Report on Capital and Revenue Schemes | No capital work outwith the Capital Programme, (unless agreed by the Assessor as relatively minor and of an urgent nature), and no major revenue project (even although included in the annual estimates) shall be commenced unless it has been the subject of a report to the Board by the Assessor. Where expenditure on a capital or revenue scheme is significantly greater than the budget amount, it must be reported to the Board. |
| 5. Need for Board Consent to Expenditure | Except for the procurement of 'print and mail' services for the annual electoral canvass, for which delegated authority is granted to the AERO, no expenditure on the purchase of equipment or services of a value in excess of £50,000 for each proposal will be made without the prior consent of the Board even although provision has been made in the Capital Programme or Annual Revenue Estimates. For this purpose each proposal is defined as including separate but associated pieces of equipment or services. Expenditure up to this limit may be incurred by the Assessor if generally provided for in the Capital Programme or Revenue Estimates. |
| 6. Capital Funding | Subject to 4 and 5 above, no Capital expenditure will be incurred unless the Assessor has ensured it is contained within the Capital Programme, and is covered by the appropriate resources. |

7. Responsibility for Budgetary Control
- (i) Treasurer:
It shall be the responsibility of the Treasurer to furnish the Assessor at regular intervals (normally monthly), with a comparative statement showing the estimated revenue income and expenditure of the Board and the payments and receipts actually made to that date.
- (ii) Assessor:
It shall be the responsibility of the Assessor to ensure that the items in the annual estimates are not overspent and that the expenditure of the Board conforms to the requirements of the financial regulations. The Treasurer and Assessor shall submit to the Board, on a regular basis, a statement comparing expenditure and income with budget.

D. CONTROL OF INCOME

1. Determination and Alteration of Charges
The rate of charge for goods or services supplied by the Board shall be determined by the Board and shall not be altered without the approval of the Board, unless an alteration is required arising from a change in legislation (e.g. a fiscal taxation change, such as VAT) or covered the delegate the power/responsibility to the Assessor.
2. Accounting Arrangements
It shall be the duty of the Treasurer to make adequate financial and accounting arrangement to ensure the proper recording of all monies due to the Board, and the proper collection, custody, control and disposal of all cash of the Board.
3. Notification of Income to Treasurer
Particulars of all charges to be made for work done, services rendered or goods supplied by the Board, and of all other amounts due to the Board, shall be promptly notified to the Treasurer in a form that he has approved and all accounts for income to the Board shall be rendered by or under arrangements approved by the Treasurer.
4. Write-Offs
Individual sums due to the Board and exceeding £5,000 (excluding VAT) shall not be written-off except after consideration by the Board. Sums up to £5,000 which are due, may be written off on the authority of the Treasurer, in consultation with the Assessor, if he is satisfied that they cannot reasonably be recovered.
5. Treatment of Monies Collected
All staff handling receipts of cash should be aware of the Board's Money Laundering Procedures. All funds received on behalf of the Board in any service area and in all forms shall be deposited with the Board's bankers in accordance with arrangements made with the Treasurer. No deduction may be made from such funds other than where the Treasurer has specifically authorised.
6. Forms, Books and
All official forms, books and tickets for the disbursement and
DABVJB Financial Regulations – as amended September 2019

| | |
|-----------------------|---|
| Tickets | collection of monies shall be in a form approved by the Treasurer. |
| 7. Personal Cheques | Personal cheques shall not be cashed out of the money held on behalf of the Board. |
| 8. Transfers of Money | All transfers of official money from one member of staff to another will be evidenced in the records of the Board by the signature of the receiving officers. |
| 9. Government Grants | The Treasurer will be advised of all relevant information necessary to allow him to make application for all Government grants due to the Board. |

E. BANKING, CONTROL OF CHEQUES, BORROWING, INVESTMENT AND TRUST FUNDS

| | |
|---------------------------------|--|
| 1. Arrangement with Bankers | All banking arrangements shall be made by the Treasurer through West Dunbartonshire Council as the Lead Authority. |
| 2. Payments into Bank | All monies received shall be paid into the Council's bank account daily or at such other intervals as may be arranged by the Treasurer. |
| 3. Cheque Control | If required, all cheques shall be ordered and controlled on behalf of the Board by the Treasurer, through the Council, and shall bear the facsimile signature of the Treasurer, or be signed by him or other officer authorised by him to do so. |
| 4. Aggregation of Fund Balances | All money (other than miscellaneous balances such as imprest accounts and deposit receipts) in the hands of the Board shall be aggregated for the purposes of treasury management and shall be under the control of the Treasurer. |
| 5. Delegation to Treasurer | All executive decisions on borrowing, investment or financing shall be delegated to the Treasurer, or through him to his staff, who shall be required to act in accordance with CIPFA's 'Code for Treasury Management in Local Authorities' and West Dunbartonshire Council's Treasury Policy Statement. |
| 6. Investments | All investments of money under its control shall be made in the name of the Board or in the names of nominees approved by the Board. |
| 7. Borrowing | All borrowing shall be effected in the name of the Board. |

F. STORES, INVENTORIES AND COSTINGS

- | | |
|--------------------------------------|---|
| 1. Costing Systems and Stores | Arrangements made by the Assessor for costing systems and stock and stores control shall be subject to the approval of the Treasurer and shall, at least annually, be subject to review by the Assessor. |
| 2. Custody of Stores and Stocktaking | The care and custody of stores and equipment shall be the responsibility of the Assessor who will ensure that stocktaking is carried out at regular intervals as agreed with the Treasurer. |
| 3. Write-Offs or Surpluses of Stores | No entries will be made, in the records, to write-off stores deficiencies or to bring surpluses into charge unless authorised by the Treasurer who may refer such adjustments to the Board. The Treasurer may issue guidance from time to time on this subject and such guidance will form part of these regulations. |
| 4. Disposal of Surplus Plant, Etc. | Subject to prior consultation with the Treasurer, all surplus plant, equipment, furnishings, materials, etc., of a significant value to be disposed of by the Assessor, shall be advertised for sale by sealed offer unless in special circumstances approved by the Board. |
| 5. Inventories | Inventories shall be maintained by the Assessor and therein shall be recorded an adequate description of furniture, fittings and equipment, plant and machinery, save that the extent to which the property of the Board shall be so recorded and the form in which the inventories shall be kept is to be determined by the Treasurer. |
| 6. Stock Levels | Stocks and stores held shall not be in excess of normal requirements except in special circumstances with the approval of the Board. |

G. ORDER BOOKS AND PAYMENT OF ACCOUNTS

- | | |
|-----------------------------------|--|
| 1. Official Orders | All Supplies, Works and Services supplied or executed for the Board shall be ordered or confirmed by means of an official requisition or order. The form of official requisitions and orders must be through a system as approved by the Treasurer. Such requisitions or orders will be authorised only by officers authorised by the Assessor. Such authorised persons shall be reviewed on a regular basis by the Treasurer. |
| 2. Exemption from Official Orders | Official Orders or requisitions will not be required for supplies of public utility services, periodical payments, petty cash purchases, or purchases or point of sale Corporate Purchase Card and Credit Card transactions. The requirements of Section P of these Financial Regulations still |

apply.

- | | |
|---|---|
| 3. Central Purchasing and Standardisation | Each order or requisition shall conform to any directions of the Board with respect to central purchasing and the standardisation of supplies and materials. |
| 4. Check on Goods and Services | It shall be the duty of the Assessor to ensure that all goods and services received are as ordered in respect of value, quantity and quality. |
| 5. Certification by Assessor | <p>The Assessor shall arrange to certify that all payment vouchers comply with the following:-</p> <ul style="list-style-type: none">• The work, goods or services to which the account relates have been received, carried out, examined and approved and are in accordance with the order.• The prices, extensions, calculations, trade discounts, other allowances, credits and tax are correct.• The expenditure has been properly incurred, is within the relevant estimate provision and the provision of standing orders as to limits of expenditure authority have been observed.• Appropriate entries have been made in inventories, stores records or stock books as required; and• The appropriate expenditure code numbers are entered on the document for payment. <p>Having so certified the voucher the Assessor or other authorised officer agreed by the Treasurer shall pass it to the Treasurer for payment.</p> |
| 6. Authorised Signatories | The Treasurer will compile a list of authorised signatories for this purpose and specimen signatures will be required from the persons concerned. The Assessor shall ensure that an appropriate separation of duties exists between officers authorising requisitions and orders and certifying payment of invoices. Certifying payment of invoices will be undertaken by either: an authorised officer via a manual or electronic process; or via electronic invoice matching to the purchase order within a system as approved by the Treasurer. |
| 7. Duplicate Invoices, Etc. | Payment will not be made on duplicate or photocopy invoices unless the Assessor certifies in writing that the amounts have not been previously paid. |
| 8. Corporate Services (Finance) Checks | The Treasurer shall supplement the Board checks on payment of accounts as he considers necessary. |
| 9. Amendments to Payments Vouchers | Any amendments made to payments vouchers shall be made in ink and initialled by the officers making them, stating briefly the reasons where this is not self-evident. |
| 10. Electronic Procurement | The above requirements apply equally to orders and |

payments made through e-procurement system (such as 'We-buy') and through purchasing cards. The Assessor shall ensure that all staff using electronic systems operate in accordance with the relevant authorisation levels and thresholds embedded within the systems.

11. Employee Code of Conduct

All employees must comply with the Board's Code of Conduct and all relevant policies, processes and procedures when purchasing Supplies, Works and Services. These will normally be aligned to the policies, processes and procedures produced by the WDC Corporate Procurement Manager."

H. ACCOUNTING

1. Accounting Procedures and Records

All accounting procedures and records of the Board and its officers shall be determined by the Treasurer and all accounts and accounting records of the Board shall be compiled by the Treasurer or under his direction.

2. Internal Checks

The following principles shall be observed in the allocation of duties:-

- The provision of information regarding sums due to or from the Board and the process of calculating, checking and recording these sums, shall be separated as completely as possible from the duty of collecting, disbursing, or authorising payment of such sums.
- Officers charged with the duty of examining and checking the accounts of cash transactions shall not themselves be engaged in any of these transactions.

3. Year End Accounting Returns

The Assessor shall, annually at dates to be specified by the Treasurer, submit to the Treasurer:

- Inventories of stocks, stores and plant in hand as at the year end.
- Inventories of equipment and furnishings in hand as at the appropriate date.
- Details of sums due to or by the Board and remaining unpaid at the year end.
- Any other information necessary to close the Board's accounts at the year end.

4. Year End Final

The Assessor shall take all such steps as reasonable to

Accounts

comply with deadlines defined by the Treasurer for the completion of the year end Final Accounts.

I. INTERNAL AUDIT

1. Continuous Internal Audit

The Internal Audit Service is a statutory assurance function that provides an independent and objective opinion to the organisation on the control environment by evaluating its effectiveness in achieving the organisation's objectives. The control environment comprises the systems of governance, risk management and internal control. The remit of the service is to objectively examine, evaluate and report on the adequacy of internal control as a contribution to the proper, economic, efficient and effective use of resources throughout the Board's activities. A continuous internal audit, under the independent control and direction of the Treasurer, as described in the West Dunbartonshire Council's Internal Audit Charter and in accordance with the Public Sector Internal Audit Standards (PSIAS), shall be undertaken.

2. Authority of Audit

The Treasurer or his authorised representatives shall have authority to:

- Enter at all reasonable times any Board premises or land;
- Have access to all records, documents and correspondence relating to financial and other transactions of the Board;
- Require and receive such explanations as are necessary concerning any matter under examination; and
- Require any employee of the Board to produce cash, stores, or any other Board property under his/her control.

All requests for information, files, etc. made by Internal Audit to officers or Members shall be supplied with within the timescales provided by Internal Audit.

3. Contract Audit

The Treasurer, or his authorised representatives, subject to the consent of the Assessor, shall have authority to engage the services of professional persons from appropriate West Dunbartonshire Council departments to assist in the examination of contracts under review or investigation by Internal Audit, and such assistance shall be given promptly.

4. Business Irregularities No investigatory work is to be undertaken by any officer of the Board without express approval of:
- The Treasurer for allegations relating to financial matters (or in his absence the Council's Audit & Risk Manager);
 - The Assessor for all other allegations

The Assessor will make arrangements to ensure that, where it is suspected or identified that business irregularities have or may have occurred, the matter will be reported immediately to him or the senior officer nominated by him in order that an investigation can be considered. Examples of such irregularities are:

- Misappropriation or embezzlement of monies, materials, etc. placed in an employee's charge;
- Intentional distortion of records for any fraudulent purposes; and
- Misuse of the Boards ICT infrastructure, including information.

Anonymous allegations and all categories identified within the Boards Policy in relation to the Board's Whistleblowing Policy

Such irregularities shall be dealt with in accordance with the Board's Business Irregularity Procedures.

J. CASH IMPRESTS, CREDIT CARDS AND PURCHASE CARDS

- | | |
|--------------------------------------|--|
| 1. Provision of Imprest | The Treasurer shall provide such imprest accounts, cash floats, credit cards and purchase cards as he/she considers appropriate for the Assessor as may be needed for the purposes of defraying petty cash and other expenses. |
| 2. Bank Accounts for Imprest Holders | The Treasurer shall open bank accounts (via West Dunbartonshire Council's Bankers) where it is considered appropriate and in no circumstances shall the imprest holder overdraw the account. It shall be a standing instruction to the Council's bankers that an imprest holder's account shall not be overdrawn. Bank accounts will not be opened or amended by any officer other than the Treasurer or his nominated deputies. |
| 3. Exclusion of Income Collected | No income received on behalf of the Board may be paid into an imprest account but must be banked or paid to the Board as provided in these regulations. Any bank interest earned on imprest accounts will be remitted separately and immediately to the Treasurer and will not be left in the imprest bank balance. |

- | | |
|---|---|
| 4. Limit on Expenditure – cash imprest | Payments shall be limited to minor items of expenditure and to such other items as the Treasurer may approve. Payments shall be supported by a receipted voucher to the extent that the Treasurer may require. |
| 5. Limit on Expenditure – Credit Cards and Purchase cards | Individual officers shall have limits placed on the use of credit cards and purchase cards in terms of purpose and value of expenditure, by transaction and in total per month. |
| 6. Statement of Account - imprest | An officer responsible for an imprest account shall, if so requested, give to the Treasurer a certificate as to the state of his imprest account. |
| 7. Accounting for Purchase Card Expenditure | Relevant officers are required to review and approve all expenditure on defined online purchase card system, in line with the published timetable. Payments shall be supported by a receipted voucher (with appropriate VAT information as required) to the extent that the Treasurer may require. |
| 8. Termination as Imprest Holder | Imprest: on leaving the employment of the Board or otherwise ceasing to be entitled to hold an imprest advance, an officer shall make account to the Treasurer for the amount advanced to him/her. Credit cards and Purchase Cards: on leaving the employment of the Board or otherwise ceasing to be entitled to hold a credit card or purchase card relevant officers shall surrender their credit card or purchase card to their line manager, who will advise the Treasurer of the change. |
| 9. Insurance Cover | The Treasurer will ensure that insurance cover is obtained for all cash imprests and the officers responsible for these. |

K. CLAIMS FOR EXPENSES AND ALLOWANCES

- | | |
|----------------------------|---|
| 1. Arrangements for Claims | The Strategic Lead - People and Transformation (of West Dunbartonshire Council, as lead authority), in consultation with the Treasurer shall be responsible for making arrangements for the administration and regulation of claims for expenses and allowances to employees of the Board. |
| 2. Submission of Claims | All claims for payment of travelling allowances, subsistence allowances, car allowances and incidental expenses shall be submitted, duly certified, in a form approved by the Strategic Lead - People and Transformation (of West Dunbartonshire Council) to her at regular intervals as agreed. Such payments will not be made out of imprest accounts without the express authority of the Treasurer. All such expenses shall as far as practicable be paid |

through approved payroll processes.

- | | |
|----------------------------|---|
| 3. Payment of Claims | Payments of claims for expenses and allowances will be made by the Treasurer upon receipt of the required information duly completed. All claims for a financial year are to be submitted within one month of 31st March. |
| 4. Certification of Claims | The certification by or on behalf of the Assessor shall be taken to mean that the certifying officer is satisfied that the journeys were authorised, the expenditure properly and necessarily incurred and that the allowances are properly payable by the Board. |

L. SALARIES, WAGES AND PENSIONS

- | | |
|---------------------------------------|--|
| 1. Arrangements for Payments | The payment of all salaries, wages, pensions, compensation and other emoluments to all employees or former employees of the Board shall be made by the Strategic Lead – People and Transformation of West Dunbartonshire Council or under arrangements approved and controlled by her. |
| 2. Application of National Agreements | The Strategic Lead - People and Transformation of West Dunbartonshire Council shall be responsible for the application of all appropriate wages and salary agreements to all employees of the Board. |
| 3. Notification | <p>The Strategic Lead - People and Transformation of West Dunbartonshire Council shall be notified as soon as possible, and in an agreed form, of all matters affecting the payment of such emoluments and in particular:-</p> <ul style="list-style-type: none">• Appointments, resignations, dismissals, suspensions, secondments and transfers.• Absences from duty for sickness or other reasons, apart from approved leave.• Changes in remuneration, pay awards and agreements of general application.• Information necessary to maintain records of service for superannuation, income tax and national insurance. |
| 4. Appointments | Appointments of all employees shall be made in accordance with the regulations of the Board and the approved establishments, grades and rates of pay. |

5. Form and Certification
of Records

Time records or other pay documents shall be in a form prescribed or approved by the Strategic Lead - People and Transformation of West Dunbartonshire Council and shall be certified by or on behalf of the Assessor. The names of officers authorised to sign such records shall be sent to the Strategic Lead - People and Transformation of West Dunbartonshire Council by the Assessor together with specimen signatures.

M. SECURITY

1. Responsibility for
Security

The Assessor is responsible for maintaining proper security at all times for all buildings, stocks, stores, furniture, equipment, cash etc., under his control. He shall consult the Treasurer in any case where security is thought to be defective or where it is considered that special security arrangements may be needed. Regular review of such security arrangements shall be carried out by the Assessor.

2. Limits to
Cash Holdings

Maximum limits for cash holdings shall be agreed with the Treasurer and shall not be exceeded without his express permission.

3. Safe Keys

Keys to safes and similar receptacles are to be securely held by those responsible for them at all times. The loss of any such keys must be reported immediately to the Treasurer. A register of all such keyholders will be kept by the Board.

4. Computer Security

The Assessor is responsible for maintaining proper security and privacy as regards information held in the computer installations or for their use. The AERO is responsible for all information held by The Board or under his statutory power.

5. Pre-printed/Pre-signed
Cheques etc.

The Treasurer shall be responsible for ensuring that secure arrangements exist for pre-printed/pre-signed cheques, stock certificates, etc.

N. INSURANCE

1. Treasurer -
Responsible for Insurance

Subject to the general supervision of the Board, the Treasurer will effect and maintain adequate insurance cover for all aspects of the Board's activities. He will also negotiate insurance claims, in consultation with the Assessor where necessary.

2. Notification of Risks

The Assessor will give prompt notification to the Treasurer of all new and increased risks, properties,

or vehicles or of any deletions affecting his department.

- | | |
|---------------------------------|--|
| 3. Notification of Claims | The Assessor will immediately notify the Treasurer in writing of any loss, liability or damage or any event likely to lead to a claim. |
| 4. Fidelity Guarantee Insurance | All appropriate employees of the Board will be covered by fidelity guarantee insurance. |
| 5. Review of Insurance Cover | The Treasurer will periodically review all insurances in consultation with the Assessor as appropriate. |

O. CAPITAL AND REVENUE FUNDS AND RESERVES

- | | |
|------------------------------|---|
| 1. Policy for Administration | The Board shall determine the Policy on the administration of these funds – including all reserves held. |
| 2. Board Consideration | The Board, at the consideration of the budget, shall take into account the allocation of resources and the Policy on such funds |

P. PROCUREMENT - CONTRACTS FOR SUPPLIES, WORKS AND SERVICES (the Procurement Financial Regulations)

- | | |
|---|--|
| 1. Application of These Financial Regulations | <div style="margin-left: 20px;"><div>1. Except where an explicit decision by a meeting of Board having delegated authority for the matter in question exists; these <i>Financial Regulations</i> will apply subject to the undernoted further Caveats.</div><div>2. Where strict application of these <i>Financial Regulations</i> would be likely to place the Board in conflict with any applicable law, the <i>Financial Regulations</i> will be read with the omission of any offending provision and in the manner which best protects the Board's interests.</div><div>3. For the avoidance of doubt, no failure to comply with these <i>Financial Regulations</i> will have any negative bearing on the vires of any action or the validity of any contract following on such action where the action would otherwise be within the Board's powers and the contract would otherwise be valid.</div></div> |
| 2. Standing Orders | <div style="margin-left: 20px;">1. These <i>Financial Regulations</i> shall be read in conjunction with and subject to the provisions of Section 16 of the <i>Standing Orders</i> relating to <i>Contracts</i>. No provision in these <i>Financial Regulations</i> will be taken to extend or limit the</div> |

vires of the Board to act in a manner which conflicts with the natural meaning of the *Standing Orders*. As provided for in Section P of these *Financial Regulations*, all officers of the Board are required to adhere to their terms.

2. In the event of any conflict between these *Financial Regulations* and *Standing Orders*, the provisions of the *Standing Orders* will have precedence. However, this provision will not have the effect of removing the requirement to comply with the *Financial Regulations* simply on the basis of that permissive provision of the *Standing Orders* does not specify any qualification or condition on its application. Where these *Financial Regulations* contain provisions which qualify or place conditions on any permission granted in any *Standing Order*, officers shall have regard to such permission as so qualified or made conditional.

- | | | |
|----|--------------------------------|--|
| 3. | Pre-requisites for Procurement | <p>No procurement activity will commence unless and until each of the following conditions have been met:</p> <ol style="list-style-type: none"> 1. Sufficient budgetary provision exists (Capital, Revenue or both) in terms of the <i>Standing Orders</i> and these <i>Financial Regulations</i>; 2. Express Board, or other relevant delegated authority has been granted for the works, supplies or services in accordance with <i>Standing Orders</i> or the Board's Scheme of Delegation; and 3. For procurement valued at £50,000 and above, a commodity / contract strategy, in a format approved and signed by the WDC Procurement Manager, has been agreed. |
| 4. | Value of Contracts | <ol style="list-style-type: none"> 1. In estimating the value of a contract for the purposes of these <i>Financial Regulations</i>, the following direct and indirect costs (total cost of ownership "TCO") must be accounted for: <ol style="list-style-type: none"> i. The Capital cost of the acquisition of any assets, Revenue lump sums and one off payments e.g. for acquisition of licenses. ii. External training costs for training which requires to be undertaken as a direct result of the works, supplies or services acquired under the contract. |

- iii. Support services by or through the supplier on an ongoing basis for the duration of the contract. Where the period of required support is indefinite the TCO should be calculated for a period of 48 months.
 - iv. Additional Third party works, supplies, or services, associated with, or necessary to support the contract and its deliverables.
 - v. Annual recurring maintenance or license costs associated with the contract and its deliverables.
 - vi. The value of any works concession or service concession to the Board. The value of a works concession or service concession contract is calculated by the value of the benefit to the supplier in terms of revenue / turnover rather than the rebate coming back to the Board.
2. If there is any doubt regarding the appropriateness of the inclusion of any cost, the WDC Procurement Manager must be consulted.
 3. In every schedule of rates contract, following discussion with the WDC Procurement Manager, the AERO shall fix an indicative total value for the contract prior to invitations to tender being issued. If there is any doubt about the anticipated duration of the continuing supply, the WDC Procurement Manager shall base the estimate of the value of the contract on a period of 48 months.
- | | | |
|----|---|---|
| 5. | Above £50K Disaggregation | 1. It is not permitted to deliberately divide any procurement exercise or divide into two or more contracts if the intention in doing so is to avoid the application of any financial thresholds in these <i>Financial Regulations</i> , <i>Standing Orders</i> , Domestic Law or the EU Procurement Directives. |
| 6. | Contracts Governed by These <i>Financial Regulations</i> | <ol style="list-style-type: none"> 1. In these <i>Financial Regulations</i>, the word “contract” will apply to any arrangement for provision of works, supplies or services to the Board including in so far as relevant, any framework agreement or dynamic purchasing system; either solely or along with others, either written or unwritten by which, legally enforceable rights and responsibilities are created for the parties to the arrangement. 2. Subject as undernoted, the full provisions of the <i>Financial Regulations</i> following in this Section P, will only apply to |

contracts having a value of £50,000 and above.

3. For the avoidance of doubt, individual arrangements where the primary purpose is the supply of funding, either by or to the Board, e.g. loans, bonds, securities, grants (other than where the Board receives works, supplies or services or derives any benefit from them) or other financial instruments, will not be a contract for the purposes of these *Financial Regulations*, notwithstanding that some strictly limited and ancillary provision of works, supplies or services may also be involved.
4. Further, subject to the provisions of Domestic Legislation and case law, no arrangement will be classed as a contract for the purposes of these *Financial Regulations*, where the Board:
 - i. solely or predominantly sells or acquires land or rights in land;
 - ii. provides works, supplies or services for third parties;
 - iii. performs the functions of or delivers services to another public body in accordance with *The Local Authorities (Goods & Services) Act 1970*;
 - iv. receives works, supplies or services from another body where the Board is permitted to receive them without the requirement to tender in accordance with *The Local Authorities (Goods & Services) Act 1970*;
5. Notwithstanding that an arrangement may not be classed as a contract for the purposes of these *Financial Regulations* under this Section P, the wider *Financial Regulations* will still apply to the arrangement.

7. Specific Exemptions to These *Financial Regulations*

1. Notwithstanding that they may otherwise fail to be viewed as works, supplies or services to the Board, the following shall be exempt from the scope of these *Financial Regulations* any arrangement:
 - i. where the Board seeks or receives legal advice, assistance or an opinion from Junior or Senior Counsel, a Professor of Law, a Solicitor Advocate or in the case of an opinion only, a Law Society of Scotland Accredited Specialist solicitor recognised as having

particular expertise in the subject matter of the opinion;

- ii. where the Board disposes of surplus or scrap materials and equipment previously used by the Board, except where such disposal is, or is part of, a contract for which the Board pays (in cash or kind) a value of £50,000 and above;
- iii. where an independent expert has been nominated a third party or agreed between the parties under a Dispute Resolution Procedure within a contract provided such nomination is compliant with Domestic and EU Law.

8. Application of
and Departure
from the
Requirements of
*Financial
Regulations*

- 1. These *Financial Regulations* will apply to all contracts for works, supplies and services except in the following circumstances:
 - i. Where a proviso within the *Standing Orders*, or the *Officers Scheme of Delegation* expressly permits or requires the AERO to act in a manner which may not be in accordance with these *Financial Regulations*, but that only to the extent that such express permission or requirement requires, and subject to such subsequent reporting as such provision may require;
 - ii. Where a departure is expressly agreed by a meeting of Board, in advance of such departure in these circumstances, WDC Procurement Manager will be consulted before any report seeking such departure is taken to the meeting of Board;
 - iii. Where in the express and written opinion of i) the Treasurer, or ii) WDC Strategic Lead – Regulatory, the application of the *Financial Regulations* would be such as to impose a financial, reputational or legal penalty upon the Board or may significantly impede the Board in the performance of its statutory duties such that it would be perverse to strictly apply these *Financial Regulations*;
 - iv. Where the strict application of these *Financial Regulations* would place the Board in conflict or mean non-compliance with the provisions of any funding arrangement; and subject to the EU Thresholds not being breached; where such funding, i) makes a substantial contribution to any contract for works,

supplies and services; and ii) there is no opportunity to renegotiate the terms of any such funding within a timescale which permits the drawdown of the funds or the performance of the contract in accordance with its aims;

- v. Where the Board is entitled, as a member of a consortium, or is otherwise permitted to utilise a framework agreement, or dynamic purchasing system; which is compliant with Domestic Law and EU Procurement Directives (the rules and procedures of such consortium or framework agreement, or dynamic purchasing system; will, where in conflict with these *Financial Regulations*, have precedence, save insofar as these *Financial Regulations* relate to internal procedures only or insofar as they are a direct translation of any *Standing Order* or aspect of the *Scheme of Delegation*.

- 2. With the exception of those provided for within the *Standing Orders* and *Scheme of Delegation*; and those determined by Board such provisos will only be exercised after consultation with WDC Procurement Manager and will be reported to the first appropriate Committee where expenditure exceeds or is likely to be valued at £50,000 or higher.

9. Procurement
Responsibility
for Contracts

- 1. The AERO shall be responsible for all contracts below £50,000 and will conduct such procurement in accordance with the VJB Procurement Guidance which will be aligned to the *Procurement Guidance for Below £50,000*, issued by WDC Procurement Manager.
Procurement Guidance - under £50,000

- 2. When there is a framework agreement; or a dynamic purchasing system available, and it is determined between WDC Procurement Manager and the AERO that its use is the most appropriate means of fulfilling the requirement, WDC Procurement Manager shall adhere to the *Financial Regulations*, Regulation P22 - *Framework Agreement and Dynamic Purchasing System Call-offs*.

- 3. Where a framework agreement or dynamic purchasing system does not exist or is determined not to be the most appropriate means of fulfilling the requirement,

WDC Procurement Manager shall adhere to the following procedures:

- For works contracts between £50,000 to £499,999.99 (exc. VAT) - undertake either (One) a Quick Quote process for a minimum of 10 working days, by inviting five contractors (where possible) from the relevant category of contractors registered on: www.publiccontractsscotland.gov.uk including, where possible, two contractors within the local area to participate or, if considered more appropriate, one of the processes found in Regulations P18 to P22 (below);
- For works contracts valued at £500,000 and above; and for supplies and services contracts valued at £50,000 and above, one of the appropriate procurement processes identified in the *Financial Regulations*, Regulations P15 to P22 is to be applied.

10. Commodity /
Contract
Strategy and
Contract &
Supplier
Management

1. Where the need is identified through the commodity / contract strategy, WDC Procurement Manager may require that the AERO will ensure that the following provisions will be adhered to which may include:
 - i. Appointing an experienced sponsor;
 - ii. Establishing and maintaining a project team until the contract has been put in place, with the right expertise which will include a project manager, lead officer, contract owner and appropriate representation from the WDC Corporate Procurement Unit; Finance Services; Legal Services and any further officers required;
 - iii. Defining the project stakeholders and communicating with the stakeholders at regular intervals;
 - iv. Defining the initial works, supplies and / or services;
 - v. Developing, reviewing and finalising an options appraisal and / or business case that shall include cost, time, resources and quality analysis;
 - vi. Defining a clear, concise and unambiguous specification / scope;
 - vii. Consistently monitoring the specification / scope to ensure it remains controlled throughout the contract;

- viii. Controlling the relationship between the Board and the successful supplier;
 - ix. Ensuring that the *Contract & Supplier Management Policy* is adhered to.
- 11. Minimum Contract Provisions
 - 1. Except in circumstances where WDC Procurement Manager and Strategic Lead – Regulatory Services agree otherwise, every contract shall be:
 - i. in the name of Dunbartonshire and Argyll & Bute Valuation Joint Board;
 - ii. in probative writing;
 - iii. subject to the Laws of Scotland; and
 - iv. subject to the agreed exclusion or amendment of any such provisions in terms of the *Financial Regulations*, P12 hereof, including all provisions required by the *Standing Orders* or *Financial Regulations*, P11 hereof.
- 12. Contract Documents
 - 1. With the exception of the specification or scope of the contract requirements, the procurement documents in respect of all contracts shall be prepared by WDC Procurement Manager in consultation with the AERO and, in relation to the terms and conditions of the contract, the Strategic Lead - Regulatory.
 - 2. With the exception of framework agreement call-offs and dynamic purchasing system call-offs, the European Single Procurement Document (ESPD) shall be used in all procedures.
 - 3. The WDC Procurement Manager may also, after consultation with the Strategic Lead - Regulatory as aforesaid; make use of procurement documents prepared by the Crown Commercial Service, Scotland Excel or the Scottish Procurement and Commercial Directorate or any other public sector body, amended as appropriate, where permitted by those bodies to do so. It is WDC Procurement Manager's responsibility to ensure that the procurement documents are suitable for the contract.
 - 4. For repeat requirements and contracts which are agreed in advance to fall within particular categories, WDC Procurement Manager may dispense with consultation with the Strategic Lead - Regulatory, subject to their consulting

in the event of any particularly onerous or unusual requirement arising during the course of any procurement; and subject to any agreed terms and conditions being reviewed annually with the Strategic Lead - Regulatory to ensure their continued relevance, accuracy and fitness for purpose.

- | | |
|--|---|
| 13. Supplementary Procedures | 1. The WDC Procurement Manager may, following consultation with the Board's Management Team and any relevant officers, as determined by the subject matter, issue supplementary procedural notes ("Supplementary Procedures") to be read in conjunction with these <i>Financial Regulations</i> ; and complied with when a contract for works, supplies and services is being sought. These additional procedures will be notified to the Board Management Team who will ensure their distribution to and compliance by all staff. |
| 14. Lists | <p>1. The Board will not operate a list for the pre-selection of suppliers to tender.</p> <p>2. A properly constituted framework agreement or dynamic purchasing system, either operated by the Board or a third party, under which the Board is legally entitled to procure, will not be classed as a List for the purposes of these <i>Financial Regulations</i>.</p> <p>3. For the avoidance of doubt, the Board may retain records of recent suppliers' health and safety vetting to ensure that the tendering health and safety processes remain efficient. Such vetting must be approved by WDC Procurement Manager in consultation with the Strategic Lead - Regulatory Services and must not preclude any bidder from submitting more up to date information.</p> |
| 15. Compliance with Domestic Procurement Law and EU Procurement Directives | 1. For Supplies and Services Contracts valued at £50,000 and above; and Works Contracts valued at £500,000 and above, where an existing framework agreement or dynamic purchasing system is not being used, WDC Procurement Manager shall include within the Contract Notice, a web link to the Public Contracts Scotland-Tenders portal from where the electronic Invitation to Tender, including the ESPD, can be immediately accessed. |
| 16. Choice of Procurement Procedure | 1. Where it is established that the EU Procurement Directives apply to any contract, WDC Procurement Manager will, following consultation with the AERO with responsibility for |

the proposed contract, agree the appropriate procedure to be followed in terms of those Directives, which may include use of an existing framework agreement or dynamic purchasing system. Such procedures will be identified as part of the agreed contract strategy. The WDC Procurement Manager shall ensure that the contract is advertised, tendered, evaluated and awarded in compliance with those Directives or the rules of the existing framework agreement or dynamic purchasing system.

- | | |
|---|--|
| 17. Advertising and Publicity for Contracts | <p>1. The Board is under a duty to ensure that in relation to each contract it intends to award, a degree of advertising is undertaken which is sufficient to enable open competition and to meet the requirements of the principles of equal treatment, non- discrimination, transparency and proportionality. Contracts that are subject to the EU Procurement Directives must comply with the provisions relating to advertising of contracts in these Directives. For all other supplies and services contracts with an aggregated valued at £50,000 and above; and works contracts with an aggregated valued at £500,000 and above, the following procedures shall apply:</p> <ul style="list-style-type: none"> i. The Board does not require to advertise those contracts where an existing framework agreement call-off; or dynamic purchasing system call-off is to be used; ii. In general such contracts will be advertised on the Public Contracts Scotland portal. In addition WDC Procurement Manager may authorise the advertisement of the contract in any other way such as in trade journals or newspapers; iii. The AERO shall ensure that the Board's own website contains links to the Public Contracts Scotland portal during any relevant procurement process. |
| 18. Restricted Procedure | <p>1. In accordance with the agreed contract strategy, WDC Procurement Manager may approve the use of the Restricted Procedure which shall be conducted in accordance with these <i>Financial Regulations</i>. In particular:</p> <ul style="list-style-type: none"> i. The WDC Procurement Manager will ensure that any Contract Notice and procurement documentation contain sufficient information to enable any potential bidder to determine whether they are interested in bidding for the contract; including i) the subject matter of the contract, ii) |

its duration, iii) reference to selection criteria, iv) estimated commencement date and where v) appropriate and available, its estimated value. The notice must also specify a date and time by which requests to be selected to tender must be received. This date and time must be no sooner than 10 working days from the date the notice is published and where the spend is likely to exceed the EU Thresholds, no less than those timescales prescribed by the EU Procurement Directives;

- ii. The ESPD in terms agreed between WDC Procurement Manager and the AERO, shall be issued by the WDC Procurement Manager to all potential bidders responding to the notice issued.
- iii. The WDC Procurement Manager together with AERO and other officers with relevant input e.g. Finance and Legal Services; will evaluate the ESPD, strictly in accordance with the established selection criteria.
- iv. No bidder may be invited to tender unless they have successfully complied with the Board's competence, experience, capacity, financial and health and safety checks and have met all other criteria to be invited to tender as set out in the ESPD, issued.
- v. A sufficient number of bidders must be invited to tender to ensure genuine competition, which should not, except with the express agreement of WDC Procurement Manager, be fewer than five. Where fewer than five bidders express an interest, all those bidders meeting the minimum selection criteria, must be invited to tender.
- vi. For works contracts between £500,000 and £1,999,999.99, WDC Procurement Manager shall alert local contractors to ensure they are aware of the opportunity.
- vii. The WDC Procurement Manager will be responsible for issuing the Invitation to Tender.
- viii. All Invitation to Tenders will include the final date and time for receipt of the tenders by the Board. The Invitation to Tenders' must also include the award criteria weightings for the award of the contract and a summary of the evaluation process to be used.
- ix. The WDC Procurement Manager will coordinate and

respond to all tender correspondence, queries and clarifications throughout the tender process; including seeking input as required from the Assessor & ERO and other relevant areas of expertise within the Board.

- x. The WDC Procurement Manager will consider and respond to any requests for extensions to the tender period, having regard to the terms of any request and any input from the procuring service(s).
- xi. The WDC Procurement Manager together with officers of the Board will evaluate the tenders strictly in accordance with the established award criteria.
- xii. In the event of any matter being unclear to those conducting the evaluation, WDC Procurement Manager will arrange for clarification or verification of matters within any tender. In the event of such clarification or verification revealing a matter which may be common to one or more tenders, WDC Procurement Manager may, following verification of such with those bidders as appear appropriate, determine that the impact of any such issue on the evaluation be applied to all those to which the matter applies.
- xiii. On completion of the evaluation of bids and subject to the necessary checks and consents having been obtained, WDC Procurement Manager shall close the competitive stage of the tendering process.
- xiv. If not previously delegated by the Board, the AERO will submit a report to the Board for approval to award the contract.
- xv. Subject to authority to award the contract from the Board, WDC Procurement Manager shall advise all unsuccessful bidders in writing of the outcome of the tender process and may issue the Notice of Intention to Award letter to the most economically advantageous bidder. The Notice of Intention to Award letter shall confirm the Board's intention to formally award the contract subject to agreement of any outstanding matters not conclusively addressed in terms of the tender process. This may include any changes to terms and conditions or commercial terms including price, deemed necessary to best deliver the purpose of the proposed contract. Changes which materially alter aspects of the

contract such that the outcome of the tender process may have been different; will not be permitted.

- xvi. Where the contract value exceeds the EU Thresholds, WDC Procurement Manager will implement the relevant standstill period, including issue of the relevant standstill letters to all bidders, in accordance with the requirements of the EU Procurement Directives.
- xvii. Following conclusion of any outstanding matters with the most economically advantageous bidder and compliance with any relevant standstill period, the AERO may instruct the Strategic Lead - Regulatory to enter into a binding contract in accordance with *Financial Regulations*, Regulation P11 - *Minimum Contract Provisions*.
- xviii. The WDC Procurement Manager will ensure that all lawful, appropriate and necessary feedback is delivered to unsuccessful bidders.
- xix. The WDC Procurement Manager will ensure that a Contract Award Notice is published in the Public Contracts Scotland portal within 30 calendar days of the Letter of Award being posted to the successful supplier(s).

19. Open
Procedure

- 1. In accordance with the agreed contract strategy, WDC Procurement Manager may approve the use of the single stage Open Procedure which shall be conducted in accordance with these *Financial Regulations*. In particular:
 - i. The WDC Procurement Manager will ensure that any Contract Notice or procurement documentation will state the selection criteria, award criteria, weightings for the award of the contract, a summary of the evaluation process and must contain sufficient information to enable any potential suppliers to determine whether they are interested in bidding for the contract. This should include the subject matter of the contract, its duration, estimated commencement date and where appropriate its estimated value. The Contract Notice or procurement documentation must also specify a date and time by which tenders must be received. This date and time must be no sooner than 10 working days from the date the notice is published and where the spend is likely to exceed the EU Thresholds, no less than those

timescales prescribed by the EU Procurement Directives.

- ii. The WDC Procurement Manager shall include within the Contract Notice, a web link to the Public Contracts Scotland-Tenders portal from where the electronic Invitation to Tender, including the ESPD, can be immediately accessed or in exceptional circumstances e.g. where a tender is being invited under an existing multi-supplier framework agreement, will advise potential bidders of how procurement documentation including an Invitation to Tender, can be obtained.
- iii. For works contracts between £500,000 and £1,999,999.99, the WDC Procurement Manager shall alert local contractors to ensure they are aware of the opportunity.
- iv. The WDC Procurement Manager together with AERO and other officers with relevant input e.g. Finance and Legal Services; will evaluate the ESPD, strictly in accordance with the established selection criteria.
- v. The WDC Procurement Manager will co-ordinate and respond to all tender correspondence, queries and clarifications throughout the tender process; including seeking input as required from the AERO and other relevant areas of expertise within the Board.
- vi. The WDC Procurement Manager will consider and respond to any requests for extensions to the tender period, having regard to the terms of any request and any input from the procuring service(s).
- vii. The WDC Procurement Manager together with AERO; will evaluate the tenders, strictly in accordance with the established award criteria.
- viii. In the event of any matter being unclear to those conducting the evaluation, WDC Procurement Manager will arrange for clarification or verification of matters within any tender. In the event of such clarification or verification revealing a matter which may be common to one or more tenders, WDC Procurement Manager may, following verification of such with those bidders as appear appropriate, determine that the impact of any such issue on the evaluation be applied to all those to

which the matter applies.

- ix. On completion of the evaluation of bids and subject to the necessary checks and consents having been obtained, WDC Procurement Manager shall close the competitive stage of the tendering process.
- x. If not previously delegated by the Board, the AERO will submit a report to the Board for approval to award the contract
- xi. Subject to authority to award the contract from the Board, or if previously delegated, the Board, WDC Procurement Manager shall advise all unsuccessful bidders in writing of the outcome of the tender process and may issue the Notice of Intention to Award letter to the most economically advantageous bidder. The Notice of Intention to Award letter shall confirm the Board's intention to formally award the contract subject to agreement of any outstanding matters not conclusively addressed in terms of the tender process. This may include any changes to terms and conditions or commercial terms, including price, deemed necessary to best deliver the purpose of the proposed contract. Changes which materially alter aspects of the contract such that the outcome of the tender process may have been different; will not be permitted.
- xii. Where the contract value exceeds the EU Thresholds, WDC Procurement Manager will implement the relevant standstill period, including issue of the relevant standstill letters to all bidders, in accordance with the requirements of the EU Procurement Directives.
- xiii. Following conclusion of any outstanding matters with the most economically advantageous bidder and compliance with any relevant standstill period, the AERO may instruct the Strategic Lead - Regulatory to enter into a binding contract in accordance with *Financial Regulations*, Regulation P11- *Minimum Contract Provisions*.
- xiv. The WDC Procurement Manager will ensure that all lawful, appropriate and necessary feedback is delivered to unsuccessful bidders.
- xv. The WDC Procurement Manager will ensure that a Contract Award Notice is published in the Public

Contracts Scotland portal within 30 calendar days of the Letter of Award being posted to the successful supplier(s).

20. Negotiated Procedure

1. In accordance with the agreed contract strategy, WDC Procurement Manager may approve the use of Negotiated Procedure which shall be conducted in accordance with these *Financial Regulations*. In particular:
 - i. Where the EU Procurement Directives apply to a proposed contract, the Negotiated Procedure may only be used in strict compliance with the requirements of such EU Procurement Directives for the use of the Negotiated Procedure either with or without the publication of a Contract Notice.
 - ii. Where the value or any other aspect of the proposed contract excludes application of the European Procurement Directives , the only grounds on which the Negotiated Procedure (which in this context means direct negotiations with a single supplier without competition or without further competition, with a view to awarding a contract) may be used are:
 - a. When the value of the contract is above the EU Threshold for people based services;
 - b. where the Board is a member of a consortium, or is otherwise permitted to utilise a framework agreement or a dynamic purchasing system, which permits the Negotiated Procedure;
 - c. where supplies or materials are proprietary articles and or services specific to one supplier, or the an individual is recognised as the sole, or principal available expert witness in a judicial or quasi judicial situation; and following due and diligent research no reasonable satisfactory alternative supplies or services have been located;
 - d. where the contract constitutes an extension of an existing contract, provided that the extension is approved by the Board, or where the Board is otherwise contractually bound to proceed with a single supplier. The WDC Procurement Manager will approve the report before the report is taken to the meeting of;

- e. where the contract consists of repairs to or the supply of, parts for existing proprietary plant or machinery so as to preserve warranties or functionality which would otherwise be lost in the event of other parties repairing or supplying such plant or machinery and provided such repair or supply represents Best Value and is legally compliant;
 - f. where following one of the other procedures referred to in these Financial Regulations, there has been no successful conclusion to the Tender exercise;
 - g. where, were the contract otherwise subject to the EU Procurement Directives, such Directives would have permitted Negotiated Procedure; and
 - h. where following consideration of all the factors applying to the contract, WDC Procurement Manager, in consultation with the Strategic Lead - Regulatory and such other officers as they deem appropriate, and with the consent of the AERO, determines that the Negotiated Procedure is manifestly in the interests of the Board and compliant with *Standing Orders* and applicable law.
2. In all such cases where the Negotiated Procedure is being followed, the actual process adopted will ensure fairness and compliance with best practice and a full written record of all contacts, discussions and communications with prospective suppliers shall be kept by WDC Procurement Manager.
 3. Such negotiations will be conducted in a manner that ensures that the Board does not contract on terms that are materially less advantageous than would be the case were another available procedure adopted.
 4. If not previously delegated by Board, the AERO will submit a report to the Board for approval to award the contract.
 5. Subject to authority to award the contract from the Board, WDC Procurement Manager may issue a Notice of Intention to Award letter to the bidder. The Notice of Intention to Award letter shall confirm the Board's intention to formally award the contract subject to agreement of any outstanding matters not conclusively addressed in terms of the

procurement process. This may include any changes to terms and conditions or commercial terms including price, deemed necessary to best deliver the purpose of the proposed contract. Changes which materially alter aspects of the contract will not be permitted.

6. Where the contract value exceeds the EU Thresholds, WDC Procurement Manager will implement the relevant standstill period, including issue of the relevant standstill letter to the bidder, in accordance with the requirements of the EU Procurement Directives.
7. Following conclusion of any outstanding matters with the bidder and compliance with any relevant standstill period, the AERO may instruct the Strategic Lead - Regulatory to enter into a binding contract in accordance with *Financial Regulations*, Regulation P11- *Minimum Contract Provisions*.
8. The WDC Procurement Manager will ensure that a Contract Award Notice is published in the Public Contracts Scotland portal within 30 calendar days of the Letter of Award being posted to the successful supplier.

21. Competitive Procedure with Negotiation, the Competitive Dialogue Procedure & Innovation Partnerships

1. The WDC Procurement Manager may choose to adopt the Competitive Procedure with Negotiation or the Competitive Dialogue Procedure or an Innovation Partnership where, in their view and in consultation with the Strategic Lead – Regulatory, the other procedures referenced herein will not be effective in facilitating the award of a contract. In considering the appropriate grounds and conditions for the use of either the Competitive Procedure with Negotiation or the Competitive Dialogue Procedure or an innovation Partnership, WDC Procurement Manager will consider amongst other matters:
 - i. the available resources within and willingness of the AERO to support such a process;
 - ii. the extent to which dialogue with the market will assist in developing a specification or scope, terms and overall solution best suited to meet the Board's needs;

2. Where WDC Procurement Manager elects to use a Competitive Procedure with Negotiation or a Competitive Dialogue Procedure or an Innovation Partnership for a below EU Threshold contract, the principles for such procedures as set out in the EU Procurement Directives shall be followed insofar as reasonable and practicable.
3. If not previously delegated by the Board, the AERO will submit a report to the Board for approval to award the contract.
4. Where the contract value exceeds the EU Thresholds, WDC Procurement Manager will implement the relevant standstill period, including issue of the relevant standstill letter to the bidder, in accordance with the requirements of the EU Procurement Directives.
5. Following conclusion of any outstanding matters with the bidder and compliance with any relevant standstill period, the AERO may instruct the Strategic Lead - Regulatory to enter into a binding contract in accordance with the *Financial Regulations*, Regulation P11- *Minimum Contract Provisions*.
6. The WDC Procurement Manager will ensure that a Contract Award Notice is published in the Public Contracts Scotland portal within 30 calendar days of the Letter of Award being posted to the successful supplier.

- | | |
|--|---|
| 22. Framework Agreement, and Dynamic Purchasing System Call-Offs | <ol style="list-style-type: none"> 1. Subject to the <i>Restricted Procedure</i>; or; the <i>Open Procedure</i>; or; the <i>Negotiated Procedure</i>; being followed: <ol style="list-style-type: none"> i. In accordance with the agreed contract strategy, WDC Procurement Manager may approve a recommendation for a contract being awarded under a framework agreement; or; dynamic purchasing system; without being required to seek further competition amongst the suppliers on the framework agreement or dynamic purchasing system. ii. Where a framework agreement or dynamic purchasing system has been established but it does not lay down all of the terms of a proposed contract including, for example, where a new item can legitimately be added to the framework agreement; or dynamic purchasing system; WDC Procurement Manager may either hold a mini competition procedure under the framework agreement or dynamic purchasing system; in accordance |
|--|---|

with the below noted procedure or, if permitted under the framework agreement or dynamic purchasing system, make a direct award:

- a) Every supplier on the framework agreement; or dynamic purchasing system; capable of performing the contract shall be issued with an invitation to take part in the mini competition. All invitations shall be issued at the same time;
- b) The invitations shall specify the closing date and time for submission of tenders under the mini competition procedure. The time limit fixed for the return of tenders shall take into account factors such as the complexity of the subject matter of the contract and the time needed to prepare a tender, but, in any event, shall be not less than 10 working days from the date the invitations are issued;
- c) The WDC Procurement Manager will co-ordinate and respond to all mini competition correspondence, queries and clarifications throughout the mini competition process; including seeking input as required from the AERO and other relevant areas of expertise within the Board;
- d) The WDC Procurement Manager together with the AERO will evaluate the mini competitions responses, strictly in accordance with the established award criteria;
- e) In the event of any matter being unclear to those conducting the evaluation, WDC Procurement Manager will arrange for clarification or verification of matters within any mini competition. In the event of such clarification or verification revealing a matter which may be common to one or more tenders, WDC Procurement Manager may, following verification of such with those mini competition bidders as appear appropriate, determine that the impact of any such issue on the evaluation be applied to all those to which the matter applies;
- f) The WDC Procurement Manager will consider and respond to any requests for extensions to the mini competition period, having regard to the terms of any request and any input from the procuring service(s);

- g) On completion of the evaluation of bids and subject to the necessary checks and consents having been obtained, WDC Procurement Manager shall close the competitive stage of the mini competition process.
- iii. If not previously delegated by the Board, AERO will submit a report to the Board for approval to award the contract.
- iv. Subject to authority to award the contract from the Board as appropriate, having been obtained, WDC Procurement Manager shall advise all unsuccessful mini competition bidders in writing of the outcome of the mini competition process and may issue a Notice of Intention to Award letter to the most economically advantageous mini competition bidder. The Notice of Intention to Award letter shall confirm the Boards intention to formally award the contract subject to agreement of any outstanding matters not conclusively addressed in terms of the mini competition process. This may include any changes to terms and conditions or commercial terms, including price, deemed necessary to best deliver the purpose of the proposed contract. Changes which materially alter aspects of the contract such that the outcome of the mini competition process may have been different; will not be permitted.
- v. Where the contract value exceeds the EU Thresholds, WDC Procurement Manager may implement a voluntary standstill period, including issue of the voluntary standstill letters to all mini competition bidders.
- vi. Following conclusion of any outstanding matters with the most economically advantageous mini competition bidder, the AERO may instruct the Strategic Lead – Regulatory to enter into a binding contract in accordance with *Financial Regulations*, Regulation P11- *Minimum Contract Provisions*.
- vii. The WDC Procurement Manager will ensure that all lawful, appropriate and necessary feedback is delivered to unsuccessful mini competition bidders.
- viii. The WDC Procurement Manager will ensure that a Contract Award Notice is published in the Public Contracts Scotland portal within 30 calendar days of the Letter of Award being posted to the successful supplier.

23. E-procurement
1. E-procurement shall generally be used for contracts let by the Board including mini competitions where permitted under a framework agreement; or a dynamic purchasing system, unless there are valid and substantial reasons for not doing so. In applying e-procurement the following processes and procedures will apply:
 - i. Where e-procurement is to apply, no offer submitted will be considered unless it is received via the Board's approved e-procurement system; in the format requested and prior to the deadline for the receipt of offers as stated by the Board in the procurement documents unless a valid and legally competent reason for not doing so e.g. defect in the system, has been highlighted by a bidder at or prior to the deadline for the receipt of tenders.
 - ii. The WDC Procurement Manager shall ensure that each offer is kept unopened in a single secure electronic mailbox that cannot be opened before the deadline for the receipt of tenders.
 - iii. The WDC Procurement Manager shall ensure that a record is maintained showing the time and date of receipt of all tenders.
 - iv. The WDC Procurement Manager may, in consultation with the AERO, authorise the extension of the deadline for the receipt of tenders in the following circumstances:
 - i) prior to any tender being received by the Board; or (ii) where, following tenders being received but before the Board is able to open those tenders due to the functionality of the e-procurement system, a bidder notifies a material error in the documentation issued by the Board or the e-procurement system, or indicates to the Board any credible and reasonable ground it may have to challenge the Board were such an extension not granted. In the circumstances in (ii) above, any bidder who has already submitted a tender shall be given the opportunity to re-submit their tender.
 - v. All tenders shall be opened immediately one after the other during one session. The bidders Technical Envelope in the e-procurement system shall be evaluated firstly. When the bidder's Technical Envelope has been evaluated the Technical Envelope will be closed. The bidders Commercial Envelope will be evaluated next. When the bidder's Commercial

Envelope has been evaluated the Commercial Envelope will be closed. The WDC Procurement Manager shall ensure that a record showing the particulars of each tender received and the date and time when those tenders were opened shall be kept.

24. Electronic Reverse Auctions
1. The WDC Procurement Manager may authorise the carrying out of an electronic reverse auction (e-auction) where they are satisfied that the likely benefit of such will outweigh the costs and that the e-auction is in accordance with the EU Procurement Directives . The following provisions will apply in the event of any e-auction:
 - i. An e-auction may only be carried out where the possibility of the use of an e-auction has been stated in the procurement documents issued to bidders and, where the EU Procurement Directives apply, in the Contract Notice published in the Official Journal of the European Union via the Public Contracts Scotland portal.
 - ii. Before WDC Procurement Manager can authorise an e-auction, they must ensure that a full initial evaluation of tenders has been undertaken in accordance with the award criteria set and with the weighting fixed for them. All bidders who have submitted admissible tenders shall be invited simultaneously by electronic means to submit new prices and/or new values.
 - iii. Throughout each phase of an e-auction WDC Procurement Manager shall instantaneously communicate to all bidders involved, at least sufficient information to enable them to ascertain their relative rankings at any moment. The WDC Procurement Manager may also, at any time, announce the number of participants in that e-auction however at all times, the names of bidders will be kept anonymous.
 2. Any e-auction will be subject to such additional procedural requirements as WDC Procurement Manager in consultation with the Strategic Lead - Regulatory considers necessary.
25. Advanced Payments
1. Advance payments to suppliers (i.e. payments made before equivalent value is received in return) should be exceptional, and should only be considered if a Best Value case can be made for them (e.g. a price discount commensurate with the value of the funds in question) and

if all reasonable steps have been taken to protect public funds.

2. Interim payments are made at a prescribed stage or at intervals during the progress of a project. Interim payments may have an element of prepayment.
3. The EU Procurement Directives which protect the right of all potential suppliers to compete on equal terms must be complied with. It would not be acceptable, for example, to offer advance payments to the successful supplier to secure a further price advantage.

26. Contract
Variation

1. Contract variation includes the option to increase the amount of works, supplies or services acquired under the contract, to increase the duration of the contract, as well as the option to increase the value of the contract.
2. Where a contract has been advertised in accordance with the EU Procurement Directives and it becomes apparent to the AERO that the value of the contract as previously reported to the appropriate Board is likely to be exceeded, the AERO shall consult with WDC Procurement Manager for advice on what action requires to be taken.
3. Where a contract has not been advertised under the EU Procurement Directives and the increase in the value of the contract is such that the EU Thresholds is likely to be exceeded, no further orders shall be made under the contract until the AERO has obtained advice from WDC Procurement Manager on what action requires to be taken save where withholding such further orders in the interim would constitute a breach of any contractual provision or legislative requirement.
4. Notwithstanding *Financial Regulations*, 20.1.(ii).(d) – *Negotiated Procedure*, in all cases, where the value of the contract exceeds the EU Thresholds and the estimated net cumulative additional cost is more than the greater of £100,000 or 25% of the approved contract value, the AERO in consultation with WDC Procurement Manager, shall ensure that a report on the matter is submitted to the next meeting of the Board where the original budget allocation was approved.

- | | |
|---|--|
| 27. Contract Register | 1. The AERO shall maintain a register of all contracts. For procurement of Supplies, Works or Services valued from £10,000 sufficient details will be collated as will permit the creation of a record of the contract within the Contracts Register. |
| 28. Reports on Procurement Matters | 1. In normal circumstances, no report will be submitted to Board seeking to undertake a procurement or approval to award a contract for works, supplies, or services from £50,000 unless WDC Procurement Manager has first been consulted and their comments noted in the report. |
| 29. Payment Arrangements | 1. All payment arrangements will be fully compliant with Domestic Legislation and will be fully documented in any procurement documentation. |
| 30. Pecuniary Interest of Members or Officers | 1. Where a Member or officer involved in a contract has a pecuniary interest in that contract, he/she must declare that interest and abide by the provisions of the Ethical Standards in Public Life etc. (Scotland) Act 2000, the Councillors' Code of Conduct and any guidance made there-under and the Board's Code of Conduct for Employees. |

Q. COMPLIANCE OF MEMBERS AND OFFICERS

- | | |
|-------------------------|---|
| 1. Members Code | All Members shall observe and comply with the Councillors' Code of Conduct, issues by Scottish Ministers in terms of the Ethical Standards in Public Life etc. (Scotland) Act 2000 and any further guidance made hereunder. |
| 2. Officers Code | All officers shall observe and comply with the Board's Code of Conduct for Officials. |
| 3. Other Regulations | All members and officers will comply with the Board's Standing Orders in conjunction with these financial regulations. |
| 4. Scheme of Delegation | Officers shall only exercise such functions and powers as are delegated to them by the Board. |

R. OBSERVANCE OF FINANCIAL REGULATIONS

- | | |
|-------------------------------|--|
| 1. Responsibility of Assessor | It shall be the duty of the Assessor to ensure that these Regulations are made known to the appropriate persons within the Board and to ensure that they are adhered to. |
|-------------------------------|--|

2. Breach of Regulations

Any breach or non-compliance with these Regulations must, on discovery, be reported immediately to the Treasurer who will discuss the matter with the Assessor in order to determine the proper action to be taken through consideration of the following:

- Code of Conduct for Employees and associated Guidance on Offers of Gifts, Hospitality and Declaring Interests;
- Counter Fraud and Corruption Strategy; and
- Business Irregularity procedures.

S. REVIEW OF FINANCIAL REGULATIONS

1. Review of Financial Regulations

The Treasurer shall review the Financial Regulations as circumstances demand and submit proposals for alterations to the Board for approval.

2. Variation and Revocation

These Regulations may be varied or revoked by the Board in consultation with the Treasurer.