



*Dunbartonshire and Argyll & Bute  
Valuation Joint Board*

Council Offices  
16 Church Street  
Dumbarton  
G82 1QL

10 September 2020

Dear Sir/Madam

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD**

The Convener has directed that the powers contained in Section 43 of the Local Government in Scotland Act 2003 will be used and so Members will attend the meeting remotely.

You are requested to attend a meeting of the above Joint Board to be held by video conference **at 12 noon on Wednesday, 16 September 2020**. Joining details will be provided separately.

The business is as shown on the enclosed agenda.

Please advise [committee.admin@west-dunbarton.gov.uk](mailto:committee.admin@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 **(Chair)**

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 **(Vice Chair)**  
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: 10 September 2020

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD**

**WEDNESDAY, 16 SEPTEMBER 2020**

**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 19 June 2020.

**4 AUDIT SCOTLAND'S ANNUAL AUDIT REPORT TO MEMBERS AND CONTROLLER OF AUDIT 13 - 40**

Submit report by the Treasurer presenting Audit Scotland's Annual Audit Report for Members and Controller of Audit.

**5 DRAFT ANNUAL ACCOUNTS FOR YEAR ENDING 31 MARCH 2020 41 - 104**

Submit report by the Treasurer presenting the Annual Accounts for year ending 31 March 2020.

**6 BUDGETARY CONTROL REPORT TO 31 AUGUST 2020 105 - 110**

Submit report by the Treasurer presenting the Budgetary Control Report to 31 August 2020.

**7 NON DOMESTIC RATING AND COUNCIL TAX VALUATION UPDATE 111 - 116**

Submit report by the Assessor and Electoral Registration Officer advising:-

- (a) of progress in relation to the Assessor's Non-Domestic Rating (NDR) valuation function;

- (b) of the progress in relation to disposal of 2017 Revaluation appeals;
- (c) of on-going activities to implement the Non-Domestic Rating (Scotland) Act and the recommendations of the 'Barclay' Review;
- (d) of the preparations for the next Revaluation of non-domestic property and proposed postponement.
- (e) of progress in relation to the Assessor's Council Tax valuation function; and
- (f) on the effects of the COVID-19 outbreak and the related government restrictions on NDR and Council Tax functions.

**8 ELECTORAL REGISTRATION PROGRESS 117 – 120**

Submit report by the Assessor and Electoral Registration Officer providing an update on the current position in relation to Electoral Registration including the effect of lockdown restrictions created by the Covid-19 pandemic.

**9 SCOTTISH PARLIAMENTARY ELECTION – RESILIENCE AND CONTINGENCY PLANNING 121 - 124**

Submit report by the Assessor and Electoral Registration Officer providing details of Scottish Parliamentary Election – Resilience and Contingency Planning.

**10 CORONAVIRUS / COVID-19 OUTBREAK UPDATE 125 - 128**

Submit report by the Assessor and Electoral Registration Officer updating members of the ongoing the COVID-19 outbreak in relation to VJB functions and services.

**11 PERSONNEL POLICIES – SUPPORTING EMPLOYEE WELLBEING AND DISABILITY PASSPORT 129 - 156**

Submit report by the Assessor and Electoral Registration Officer seeking approval of a Supporting Employee Wellbeing Policy and Disability Passport.

**12 PERSONNEL POLICIES – PERSONAL PERFORMANCE, TRAINING AND DEVELOPMENT POLICY 157 - 169**

Submit report by the Assessor and Electoral Registration Officer seeking approval of a Personal Performance, Training and Development Policy.

### **13 DATES OF FUTURE MEETINGS**

Members are asked to consider dates for future meetings of the Valuation Joint Board, subject to any special meeting held to consider preparations for the Scottish Parliamentary Elections, and noting that meetings will be held remotely if physical distancing restrictions are still in place:-

- (a) Friday, 5 March 2021 at 11.00 a.m. in Argyll and Bute Council Offices (venue to be confirmed);
- (b) Friday, 18 June 2021 at 11.00 a.m. in East Dunbartonshire Council Offices (venue to be confirmed); and
- (c) Wednesday, 15 September 2021 at 12.30 p.m. 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 2020.

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## DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD

At a Meeting of the Dunbartonshire and Argyll & Bute Valuation Joint Board held by Video Conferencing on Friday, 19 June 2020 at 11.10 a.m.

**Present:** Councillors Graham Archibald Harvie and Richard Trail, Argyll & Bute Council; Councillors Jim Gibbons\* and John Jamieson, East Dunbartonshire Council; and Bailie Denis Agnew and Councillors Jonathan McColl and Marie McNair, West Dunbartonshire Council.

\*Arrived later in the meeting.

**Attending:** David Thomson, Assessor and Electoral Registration Officer (ERO); Robert Nicol, Depute Assessor and Electoral Registration Officer; Gillian McNeilly, Finance Manager (for the Treasurer); Joanne Thomson, Accountant; and Scott Kelly, Committee Officer, West Dunbartonshire Council.

**Also attending:** Richard Smith, Senior Audit Manager, and Kirsteen Sharp, Professional Trainee, Audit Scotland.

**Apologies:** Apologies for absence were intimated on behalf of Councillors Iain Paterson and Alastair Redman, Argyll & Bute Council; Councillors Stewart MacDonald, Vaughan Moody and Sandra Thornton, East Dunbartonshire Council; and Councillors Jim Brown and John Millar, West Dunbartonshire Council.

**Councillor Richard Trail in the Chair**

### CHAIR'S REMARKS

Councillor Trail, Chair, welcomed everyone to the meeting which was being held remotely, in terms of Section 43 of the Local Government in Scotland Act 2003, and the Joint Board noted the procedure which had been developed for the meeting, a copy of which had been circulated in advance to Members.

### DECLARATIONS OF INTEREST

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

## **MINUTES OF PREVIOUS MEETING**

The Minutes of Meeting of the Dunbartonshire and Argyll & Bute Valuation Joint Board held on 6 March 2020 were submitted and approved as a correct record.

## **CORONAVIRUS/COVID-19 OUTBREAK**

A report was submitted by the Assessor and ERO advising of the effect of the outbreak of Corona Virus/COVID-19, and the Government restrictions introduced to deal with the outbreak, on the functions and services of the Valuation Joint Board and of the steps being taken to mitigate its effects.

Following 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 effect of the outbreak of Corona Virus/COVID-19, and the Government restrictions introduced to deal with the outbreak, on the functions and services of the Valuation Board; and
- (2) to note the steps and actions taken to mitigate the above effects.

Note: Councillor Gibbons entered the meeting during consideration of this item.

## **NON-DOMESTIC RATING AND COUNCIL TAX VALUATION UPDATE**

A report was submitted by the Assessor and ERO advising:-

- (a) of progress in relation to the Assessor's Non-Domestic Rating (NDR) valuation function;
- (b) of the progress in relation to disposal of 2017 Revaluation appeals;
- (c) of on-going activities to implement the NDR (Scotland) Act and the recommendations of the 'Barclay' Review;
- (d) of the preparations being made for the 2022 Revaluation of non-domestic properties;
- (e) of progress in relation to the Assessor's Council Tax valuation function; and
- (f) on the effects of the COVID-19 outbreak and the related government restrictions on NDR and Council Tax functions.

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

- (1) to note the progress in relation to the disposal of NDR appeals;



- (2) to note the progress in relation to general maintenance of the Valuation Roll;
- (3) to note the progress and planning which were ongoing to effect the NDR (Scotland) Act and the recommendations of the 'Barclay' Review;
- (4) to note the progress in relation to the general maintenance of the Council Tax List;
- (5) to note the progress in relation to the disposal of Council Tax proposals and appeals; and
- (6) to note the effect of the COVID-19 outbreak on the valuation activities and the efforts being made to ensure continued service provision.

### **ELECTORAL REGISTRATION – UPDATE**

A report was submitted by the Assessor and ERO providing an update on the current position in relation to Electoral Registration including the effect of lockdown restrictions created by the COVID-19 pandemic.

Following discussion and having heard the Assessor and ERO in further explanation of the report and in answer to a Member's question, the Joint Board agreed note the contents of the report.

### **BEST VALUE – PERFORMANCE REPORTING AND PLANNING**

A report was submitted by the Assessor and ERO:-

- (a) providing an update on progress in relation to Best Value and in particular advising on external performance reports for the year 2019/20;
- (b) seeking approval of the Public Performance Report for 2019/20; and
- (c) seeking approval of the Key Performance Indicator (KPI) targets for 2020/21.

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

- (1) to note the performance in relation the Valuation Roll and Council Tax List KPIs for 2019/20;
- (2) to approve the Public Performance Report for 2019/20; and
- (3) to approve the KPI targets for 2020/21.

## **BEST VALUE – SERVICE PLANNING**

A report was submitted by the Assessor and ERO seeking approval of the April 2020 update to the 2018-21 Service Plan.

Having heard the Assessor and ERO in further explanation of the report, the Joint Board agreed to approve the April 2020 update to the Service Plan for the period 2018-21.

## **BEST VALUE – CUSTOMER SERVICE UPDATE**

A report was submitted by the Assessor and ERO:-

- (a) advising of the results from the Customer Consultation process during 2019/20; and
- (b) advising of the outcomes from the Complaints Procedure during 2019/20.

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

- (a) seeking approval of the Joint Board's Strategic Risk Register for 2020/21;
- (b) reporting on the recently completed Internal Audit of the Joint Board's Risk Management arrangements;
- (c) seeking approval of the Action Plan contained in the above Internal Audit Report; and
- (d) advising on the efforts being made to manage the risks associated with the COVID-19 outbreak.

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

- (1) to approve the Board Risk Register for 2020/21, including the actions shown therein;

- (2) to note the conclusions of the recently completed Internal Audit of the Joint Board's Risk Management arrangements;
- (3) to approve the Action Plan contained in the above Internal Audit Report; and
- (4) to note the creation of a COVID-19 Risk Register and Action Plan and the efforts being made to manage the risks associated with the outbreak.

### **PERSONNEL POLICIES – CAREER BREAK POLICY**

A report was submitted by the Assessor and ERO seeking approval of a Career Break Policy for application within the Joint Board.

Following discussion and having heard the Assessor and ERO in further explanation of the report, the Joint Board agreed to approve the Career Break Policy for implementation within the Joint Board.

Note: The Depute Assessor and ERO left the meeting prior to consideration of the following item.

### **SALARY OF POST OF DEPUTE ASSESSOR AND ERO**

A report was submitted by the Assessor and ERO:-

- (a) advising on the outcome of investigations into the salary applicable to the post of Depute Assessor and ERO and providing options for consideration; and
- (b) seeking agreement of the Joint Board's preferred option for the salary grade of the post of Depute Assessor and ERO.

Following 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 Option 1 as detailed in section 4.2 of the report, namely:-

Permanently move the post of Depute Assessor and ERO onto scp 32 (£85,511) with effect from 1 April 2020, at a cost to the Joint Board in the current year of ~£1,500 (£1,158 salary plus on costs of circa 30%).

Note: The Depute Assessor and ERO re-entered the meeting at this point.

### **DRAFT ANNUAL ACCOUNTS FOR YEAR ENDING 31 MARCH 2020**

A report was submitted by the Treasurer presenting the Draft Annual Accounts for the year ending 31 March 2020.

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

- (1) to note the contents of the report and the financial position of the Board as at 31 March 2020;
- (2) to note the Draft Management Commentary and Financial Statement for the year to 31 March 2020; and
- (3) to note that the audited accounts would be reported to a future meeting for approval.

### **ASSURANCE STATEMENT FOR THE YEAR ENDED 31 MARCH 2020 FROM THE SHARED SERVICE MANAGER – AUDIT AND FRAUD**

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 were obtained.

Following discussion and having heard the Finance Manager, West Dunbartonshire Council, and the Senior Audit Manager, Audit Scotland, in further explanation of the report and in answer to a Member's questions, the Joint Board agreed:-

- (1) to note that officers were not aware of any instances of fraud in the period covered by the Assurance Statement; and
- (2) otherwise to note the contents of the report.

### **DATE OF NEXT MEETING**

Having heard Councillor Trail, Chair, and the Assessor and ERO it was noted that the next meeting of the Joint Board was scheduled to be held on Wednesday, 16 September 2020.

The meeting closed at 12.05 p.m.

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD****Report by Treasurer****Valuation Joint Board: 16 September 2020**

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**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 2019/20.

**2. Background**

**2.1** Audit Scotland has finalised their audit of the Joint Board's 2019/20 Annual Accounts.

**2.2** The final version of the Annual Accounts has been submitted to Members elsewhere in the agenda and takes account of all the agreed audit 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** Attached therefore are three documents:

- Covering letter from the auditors;
- Letter of representation from the Treasurer to the Auditors and
- Draft annual audit report.

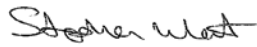
**3.3** This Annual Audit Report to Members and the Controller of Audit includes:

- Key messages (page 4);
- Information on the audit of the financial statements (pages 7 to 9); and
- Financial management and sustainability and governance (pages 10 to 13).

**3.4** There are two recommendations identified in the report for further action which are highlighted in Appendix 1 - Action Plan on page 14 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.



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**Stephen West**  
**Treasurer**

**Date: 16 September 2020**

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**Person to Contact:** Joanne Thomson, Accountant  
West Dunbartonshire Council  
Telephone (01389) 737875  
E-mail: [Joanne.Thomson@west-dunbarton.gov.uk](mailto:Joanne.Thomson@west-dunbarton.gov.uk)

**Appendix:** ISA260 Covering Letter.

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

## Dunbartonshire and Argyll & Bute Valuation Joint Board meeting – 16 September 2020

### Dunbartonshire and Argyll & Bute Valuation Joint Board Audit of 2019/20 annual accounts

#### Independent auditor's report

1. Our audit work on the 2019/20 annual accounts is now substantially complete and we anticipate being able to issue unqualified audit opinions in the independent auditor's report on 16 September 2020 (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 2019/20 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, and governance arrangements 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 the 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 the Dunbartonshire and Argyll & Bute Valuation Joint Board for the year ended 31 March 2020 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, Cashflow Statement and Notes to the Annual Accounts, 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 2019/20 (the 2019/20 Code).

In my opinion the accompanying financial statements:

- give a true and fair view in accordance with applicable law and the 2019/20 Code of the state of affairs of the Dunbartonshire and Argyll & Bute Valuation Joint Board as at 31 March 2020 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 2019/20 Code; and
- have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.

##### Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the [Code of Audit Practice](#) approved by the Accounts Commission for Scotland. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I was appointed under arrangements approved by the Accounts Commission on 10 May 2019. The period of total uninterrupted appointment is two years. I am independent of the Dunbartonshire and Argyll & Bute Valuation Joint Board in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the Dunbartonshire and Argyll & Bute Valuation Joint Board. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

##### Conclusions relating to going concern basis of accounting

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



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

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

In preparing the financial statements, the Treasurer is responsible for assessing the Dunbartonshire and Argyll & Bute Valuation Joint Boards 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 Valuation Joint Board is responsible for overseeing the financial reporting process.

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

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

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my auditor's report.

## **Other information in the annual accounts**

The Treasurer and Assessor 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  
4<sup>th</sup> floor  
8 Nelson Mandela Place  
Glasgow  
G2 1BT

16 September 2020

## APPENDIX B: Letter of Representation (ISA 580)

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

Dear Richard,

### **Dunbartonshire and Argyll & Bute Valuation Joint Board Annual Accounts 2019/20**

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 2020 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 2020.

### **General**

3. Dunbartonshire and Argyll & Bute Valuation Joint Board and I have fulfilled our statutory responsibilities for the preparation of the 2019/20 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 2019/20 (2019/20 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 2020 and the transactions for 2019/20.

## **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 2019/20 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 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 2020 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 2020 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 2020.
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 2020 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 2020 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.

## **Contingent liabilities**

19. There are no contingent liabilities requiring disclosure in the accounts under the Code of Practice on Local Authority Accounting in the United Kingdom 2019/20 and IAS 37.

## **Fraud**

20. 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**

21. I have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.

## **Related Party Transactions**

22. All material transactions with related parties have been appropriately accounted for and disclosed in the financial statements in accordance with the 2019/20 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**

23. 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**

24. 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**

25. I confirm that the Dunbartonshire and Argyll & Bute Valuation Joint Board has undertaken a review of the system of internal control during 2019/20 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.
26. 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 2020, which require to be reflected.

## **Events Subsequent to the Date of the Balance Sheet**

27. All events subsequent to 31 March 2020 for which the 2019/20 accounting code requires adjustment or disclosure have been adjusted or disclosed.

Yours sincerely

Stephen West  
Treasurer and Section 95 Officer

# Dunbartonshire and Argyll & Bute Valuation Joint Board

Proposed 2019/20 Annual Audit Report



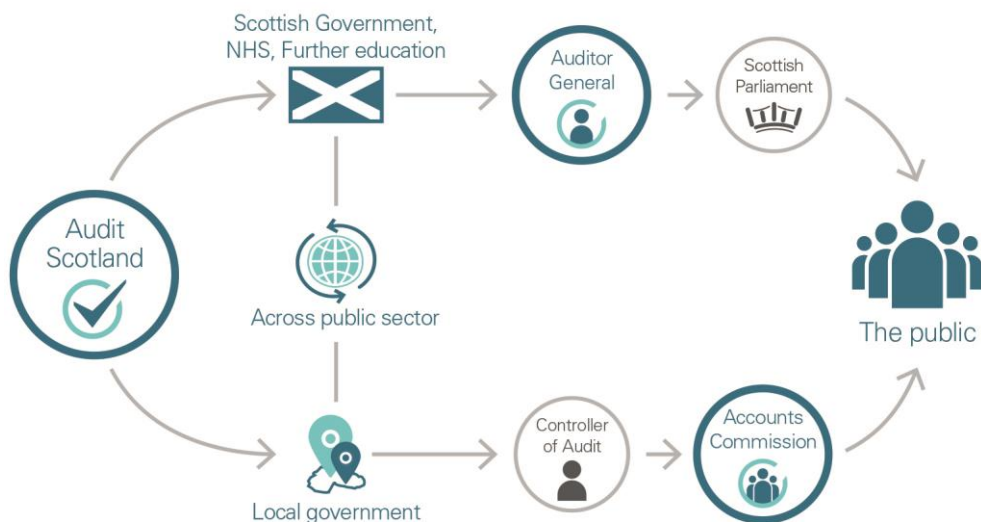
Prepared for the Dunbartonshire and Argyll & Bute Valuation Joint Board and the Controller of Audit

16 September 2020

## 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.



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# Contents

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Key messages	4
Introduction	5
Part 1 Audit of 2019/20 annual accounts	7
Part 2 Financial management and sustainability, and Governance	10
Appendix 1 Action plan 2019/20	14
Appendix 2 Significant audit risks identified during planning	15
Appendix 3 Summary of national performance reports 2019/20	16

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# Key messages

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## 2019/20 annual report and accounts

- 1** The financial statements of Dunbartonshire and Argyll & Bute Valuation Joint Board give a true and fair view of its financial position for the year ended 31 March 2020.
- 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** Despite the impact of Covid-19, the annual accounts were produced and audited in line with the original timetable.

## Financial management and sustainability, and Governance

- 4** Appropriate budget monitoring and reporting arrangements are in place and an operating surplus of £0.194 million was reported for the year ended 31 March 2020.
- 5** The Joint Board approved the 2020/21 budget prior to the full impact of Covid-19 outbreak being known and this will require to be revisited throughout the year as more information on the full cost implications, and any additional funding, becomes available.
- 6** Covid-19 is likely to have a significant impact on the future financial plans of the Joint Board and the Long Term Financial Strategy will require to be revisited once there is sufficient certainty around the extent of the longer-term financial impact.
- 7** Joint Board meetings have been poorly attended during the year. The constituent councils should remind representatives of their responsibilities as a member of the Joint Board to ensure that an adequate number of members are in attendance at future meetings.

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# Introduction

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1. This report summarises the findings from our 2019/20 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 6 March 2020. 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 2019/20 audit fee of £7,450 as set out in our Annual Audit Plan, remains unchanged. We are not aware of any relationships that could compromise our objectivity and independence.

## Impact of Covid-19

5. Subsequent to the publication of our 2019/20 Annual Audit Plan, in common with all public bodies, DABVJB has had to respond to the Covid-19 pandemic. This impacted on the final month of 2019/20 and continues to have a significant impact into 2020/21. This has had major implications for the operation of the organisation. Our planned audit work has been adapted for the new emerging risks that relate to the audit of the financial statements and the wider dimensions of audit.

## Responsibilities and reporting

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

7. 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.

**8.** 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.

**9.** 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 2019/20 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 2019/20 audit of DABVJB.

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

**11.** 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.

**12.** An agreed action plan is included at [Appendix 1](#) setting out specific recommendations, responsible officers and dates for implementation.

**13.** 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](http://www.audit-scotland.gov.uk)

## **Acknowledgement**

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

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# Part 1

## Audit of 2019/20 annual accounts

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### Main judgements

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The financial statements of Dunbartonshire and Argyll & Bute Valuation Joint Board give a true and fair view of its financial position for the year ended 31 March 2020.

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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.

---

Despite the impact of Covid-19, the annual accounts were produced and audited in line with the original timetable.

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### Our audit opinions on the annual accounts are unmodified

15. The annual accounts for the year ended 31 March 2020 were approved by the Joint Board on 16 September 2020. 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.

### Despite the impact of Covid-19, the annual accounts were produced and audited in line with the original timetable

16. We received the unaudited annual accounts on 19 June 2020 in line with the original timetable. The annual accounts submitted for audit were complete and finance staff provided good support to the audit team which helped ensure the final accounts process ran smoothly, despite the impact of Covid-19.

### Our audit testing reflected the calculated materiality levels

17. 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.

18. 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 2018/19 audited annual accounts. These levels were reported in our [Annual Audit Plan](#) presented to the Joint Board 6 March 2020.

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**Dunbartonshire and Argyll & Bute Valuation Joint Board's annual accounts are the principal means by which it accounts for the stewardship of resources to external stakeholders.**

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19. On receipt of the unaudited annual accounts we recalculated our materiality levels based on the actual gross expenditure for the year ended 31 March 2020. Our final materiality levels are summarised in [Exhibit 1](#).

---

## Exhibit 1

### Materiality values

Materiality level	Amount
<b>Overall materiality:</b> 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 2020.	£47,800
<b>Performance materiality:</b> 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 75% of overall materiality.	£35,800
<b>Reporting threshold:</b> 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 4% of overall materiality (rounded down to the nearest hundred).	£1,900

Source: Audit Scotland

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### Our audit identified and addressed the risks of material misstatement

20. [Appendix 2](#) provides our assessment of risks of material misstatement in the annual accounts. These risks influenced our overall audit strategy and the allocation of staff resources to the audit, and indicate how the efforts of the team were directed. The appendix identifies the work we undertook to address these risks and our conclusions from this work.

### We reported the significant findings from the audit to those charged with governance

21. 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, including accounting policies, accounting estimates and financial statements disclosures.

22. The significant findings are summarised in [Exhibit 2](#). Our audit also identified some minor presentational and disclosure issues which were discussed with management. These were all adjusted and reflected in the audited accounts and none were significant enough to require to be separately reported under ISA 260.

---

## Exhibit 2

### Significant findings from the audit of the financial statements

Finding	Resolution
<p><b>1. Revised pension liability</b></p> <p>In August 2020, member bodies of Strathclyde Pension Fund were advised that following a government announcement on a key pension case, the McCloud case, there was a potential material impact on the liability previously provided by the actuary for the 2019/20 annual accounts.</p> <p>We requested that the Joint Board obtain a revised actuarial report to ensure that the pension liability included in the audited annual accounts reflected the most accurate estimate based on the current information available.</p>	<p>The actuary provided revised figures, and these have been reflected in the audited annual accounts. This adjustment resulted in the net pension liability figure in the balance sheet, and the deficit on provision of services figure in the comprehensive income and expenditure account, both decreasing by £0.171 million.</p>

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Source: Audit Scotland

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### We have no unadjusted errors to report

**23.** The revised pension liability, [Exhibit 2](#), was the only misstatement which exceeded our reporting threshold of £1,900. 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.

### Our prior year recommendations have been satisfactorily progressed during 2019/20

**24.** Dunbartonshire and Argyll & Bute Valuation Joint Board have made good progress in implementing our prior year audit recommendations during 2019/20.

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### Good Practice – Inclusion of comparative performance data in management commentary

In response to a recommendation in our 2018/19 Annual Audit Report, DABVJB has included comparison of its performance for key performance indicators against Scotland-wide performance in the management commentary for the first time. This will assist readers of the accounts in assessing DABVJB's performance during the year and demonstrates that it continues to perform well against the majority of KPIs. Management has advised that they will look to include further comparative data for KPIs in future years.

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# Part 2

## Financial management and sustainability, and Governance

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### Main judgements

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Appropriate budget monitoring and reporting arrangements are in place and an operating surplus of £0.194 million was reported for the year ended 31 March 2020.

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The Joint Board approved the 2020/21 budget prior to the full impact of Covid-19 outbreak being known and this will require to be revisited throughout the year as more information on the full cost implications, and any additional funding, becomes available.

---

Covid-19 is likely to have a significant impact on the future financial plans of the Joint Board and the Long Term Financial Strategy will require to be revisited once there is sufficient certainty around the extent of the longer-term financial impact.

---

Joint Board meetings have been poorly attended during the year. The constituent councils should remind representatives of their responsibilities as a member of the Joint Board to ensure that an adequate number of members are in attendance at future meetings.

---

### Appropriate budget monitoring and reporting arrangements are in place

25. Budgets are approved by the Joint Board and budget monitoring updates are provided to each meeting. The budget monitoring updates provide sufficient detail on variances against budget and forecast year-end positions. This allows members and officers to scrutinise the financial performance of the DABVJB and to consider actions to mitigate projected over-spends.

### An operating surplus of £0.194 million was reported for the year ended 31 March 2020

26. In March 2019 the Joint Board approved its budget for 2019/20. This 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, paragraph 33. This resulted in a forecast funding gap of £0.162 million to be met from a transfer from usable reserves.

27. During the course of the year a number of minor budget revision were made resulting in a final budget for the year of £2.943 million. Actual outturn for the year was expenditure of £2.791 million (£0.152 million less than budget) and income of £2.823 million (£0.042 million more than budgeted). This resulted in an operating surplus of £0.194 million 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 (£0.086 million) and supplies and services expenditure (£0.039 million) and additional grant income received during the year (£0.037 million).

---

**Financial management is about financial capacity and sound budgetary processes.**

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**28.** It should be noted that the operating surplus of £0.194 million reported in the management commentary differs from the deficit on provision of services figure of £0.295 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.

**The Joint Board approved the 2020/21 budget prior to the full impact of Covid-19 being known and this will require to be revisited throughout the year as more information on the full cost implications, and any additional funding, becomes available**

**29.** In March 2020 the Joint Board approved the budget for 2020/21. This included anticipated expenditure of £2.965 million and income of £2.804 million, comprising funding contributions of £2.611 million from the constituent councils and anticipated Scottish Government funding of £0.193 million to assist in implementing the recommendations of the Barclay Review, see paragraph [33](#). This resulted in a forecast funding gap of £0.153 million to be met from a transfer from usable reserves.

**30.** The budget was developed prior to the Covid-19 outbreak in the UK and will therefore require to be revisited throughout the year as more information on the full cost implications, and any additional funding, becomes available.

**Covid-19 is likely to have a significant impact on the future financial plans of the Joint Board and the Long Term Financial Strategy will require to be revisited once there is sufficient certainty around the extent of the longer-term financial impact**

**31.** In March 2020, the Joint Board approved its Long Term Financial Strategy. This set out anticipated income and expenditure for each of the next three years (i.e. 20/21-2022/23) based on assumptions around factors such as pay inflation and future funding contributions. The strategy also used scenario planning to project potential future budget gaps based on the likely, worst case and best case scenarios, [Exhibit 3](#). The plan also included indicative budget gaps for each year to 2029/30.

**32.** As with the 2020/21 budget, paragraphs [29](#) and [30](#), the Long Term Financial Strategy was developed prior to the Covid-19 outbreak in the UK. This will therefore require to be revisited once there is sufficient certainty around the extent of the longer-term financial impact on the organisation.

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**Financial sustainability looks forward to the medium and longer term to consider whether the body is planning effectively to continue to deliver its services or the way in which they should be delivered.**

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

**Exhibit 3  
Scenario planning to project potential future budget gaps**

Indicative budget gap	2021/22	2022/23	2023/24
	£m	£m	£m
Best case scenario	0.153	0.207	0.267
Likely scenario	0.153	0.255	0.326
Worst case scenario	0.156	0.313	0.392

Source: Dunbartonshire and Argyll & Bute Long Term Financial Strategy

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### **Good Practice – Workforce Plan**

During 2019/20 DABVJB developed its first strategic Workforce Plan. This was developed to assist in the delivery of the strategic objectives of the organisation by ensuring the provision of:

- the right number of employees;
- with the right skill sets;
- in the right location;
- at the right time; and,
- at the right cost.

The development of the workforce plan strengthens DABVJB's financial and succession planning arrangements.

---

### **The Scottish Government are providing additional funding for costs associated with the implementation of the Non-Domestic Rates (Scotland) Bill but this is unlikely to cover all of the additional costs incurred by DABVJB**

33. As reported in 2018/19, the Non-Domestic Rates (Scotland) Act 2020, resulting from the Barclay review, will have far reaching implications on DABVJB. The Act received Royal Assent in March 2020 and it is expected that it will be fully implemented from April 2021. This will significantly increase the statutory workload of DABVJB. The Scottish Government has indicated that funding will be made available to fund the increased costs associated with the implementation of the Act but this is unlikely to cover all of the additional costs incurred by DABVJB.

### **Joint Board meetings have been poorly attended during the year**

34. The Joint Board is made up of sixteen members representing the three constituent councils: five from Argyll and Bute Council (including the Convenor), six from East Dunbartonshire Council (including the Vice Convenor) and five from West Dunbartonshire Council.

35. The Joint Board meeting in March 2020 was poorly attended and was in danger of not being quorate as none of the five members, or four substitutes, from West Dunbartonshire Council were in attendance for the first portion of the meeting. The standing orders require at least one member from each member authority to be in attendance at each meeting.

36. Similarly, the June Joint Board meeting, held remotely via Microsoft Teams, was also poorly attended. The constituent councils should remind representatives of their responsibilities as a member of the Joint Board to ensure that an adequate number of members are in attendance at future meetings.

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

### **The Covid-19 pandemic has impacted on the governance arrangements and working practices of DABVJB since March 2020. We have concluded that the revised arrangements put in place were appropriate in the circumstances.**

37. The Covid-19 pandemic has impacted on the governance and working practices of DABVJB since March 2020. These included new working processes for statutory functions and Joint Board meetings being held virtually via Microsoft Teams. DABVJB has also created of a Covid-19 risk register to manage the risks associated with the outbreak.

38. We have concluded that the arrangements put in place were appropriate in the circumstances.

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**Governance is concerned with the effectiveness of scrutiny and governance arrangements, leadership and decision making.**

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## National performance audit reports

**39.** Audit Scotland carries out a national performance audit programme on behalf of the Accounts Commission and the Auditor General for Scotland. During 2019/20 we published reports which may be of interest to the Joint Board. These are listed in Appendix 3.

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# Appendix 1

## Action plan 2019/20

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No.	Issue/risk	Recommendation	Agreed management action/timing
1	<p><b>Impact of Covid-19 on future financial plans</b></p> <p>The Long Term Financial Strategy was developed prior to the Covid-19 outbreak in the UK.</p> <p><i><b>Risk: There is a risk that the future financial plans are significantly impacted by Covid-19.</b></i></p>	<p>This Long Term Financial Strategy should be revisited once there is sufficient certainty around the extent of the longer-term financial impact on the organisation.</p> <p><a href="#">Paragraphs 31 and 32</a></p>	<p>The Treasurer, in liaison with the Assessor &amp; ERO, will bring forward a revised Financial Strategy for Joint Board approval in February/March 2021</p> <p><b>Responsible officer:</b> Treasurer</p> <p><b>Agreed date:</b> Feb/March 2021</p>
2	<p><b>Member attendance at Joint Board meetings</b></p> <p>Joint Board meetings have been poorly attended during the year.</p> <p><i><b>Risk: There is a risk that this impacts on the effectiveness of scrutiny and governance arrangements, and that business critical decisions are not be approved due to meetings not being quorate.</b></i></p>	<p>The constituent councils should remind representatives of their responsibilities as a member of the Joint Board to ensure that an adequate number of members are in attendance at future meetings.</p> <p><a href="#">Paragraphs 34-36</a></p>	<p>A letter to this effect will be issued by the Clerk to the Joint Board to the constituent Councils.</p> <p><b>Responsible officer:</b> Clerk to the Joint Board.</p> <p><b>Agreed date:</b> September 2020</p> <p>Consultation on the possibility of conducting some meetings remotely to take place with members with a view to a paper coming to a future Board meeting</p> <p><b>Responsible officer:</b> Assessor &amp; ERO</p> <p><b>Agreed date:</b> February/March 2021</p>

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# Appendix 2

## Significant audit risks identified during planning

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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.

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### Risks of material misstatement in the financial statements

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<p><b>1 Management override of controls</b></p> <p>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.</p>	<ul style="list-style-type: none"><li>- Detailed testing of journal entries</li><li>- Review of accounting estimates</li><li>- Focused testing of accruals and prepayments</li></ul> <p>Evaluation of significant transactions that are outside the normal course of business</p>	<p>Our audit procedures did not uncover evidence of management override of controls.</p>
<p><b>2 Fraud over expenditure</b></p> <p>The Code of Audit Practice expands the consideration of fraud under ISA 240 to include the risk of fraud over expenditure.</p> <p>There is an inherent risk that expenditure may be misstated resulting in a material misstatement within the financial statements.</p>	<ul style="list-style-type: none"><li>- Analytical procedures on expenditure streams.</li><li>- Detailed testing of expenditure transactions, focusing on the highest risk areas.</li></ul>	<p>Our audit procedures did not uncover evidence of fraud over expenditure.</p>
<p><b>3 Estimations and Judgements</b></p> <p>There is a significant degree of estimation and judgement in the measurement and valuation of the Joint Board's pension liability which is an estimate based on information provided by management and actuarial assumptions. This subjectivity represents an increased risk of misstatement in the financial statements.</p>	<ul style="list-style-type: none"><li>- Review of the work of the actuary, including consideration of the appropriateness of the actuarial assumptions used.</li><li>- Review of Joint Board's procedures for ensuring actuarial valuations provided are appropriate and include assumptions relating to relevant legal rulings.</li><li>- Confirm pension valuations in actuarial report are correctly reflected within the 2019/20 accounts.</li></ul>	<p>We reviewed the work of the actuary and assessed the appropriateness of the actuarial assumptions.</p> <p>We confirmed that the pension valuations provided by the actuary were correctly reflected in the 2019/20 financial statements. However, a late revision to the pension valuations was required in respect of a government announcement on a key pension case that impacted upon the pension liability of DABVJB. This is reported in <a href="#">Exhibit 2</a>.</p>

---

# Appendix 3

## Summary of national performance reports 2019/20



		2019/20 Reports	
		Apr	
Social security: Implementing the devolved powers		May	
Scotland's colleges 2019		Jun	Enabling digital government
		Jul	
NHS workforce planning - part 2		Aug	
Finances of Scottish universities		Sept	
NHS in Scotland 2019		Oct	
		Nov	
Local government in Scotland: Financial overview 2018/19		Dec	
Scotland's City Region and Growth Deals		Jan	Privately financed infrastructure investment: The Non-Profit Distributing (NPD) and hub models
		Feb	
		Mar	Early learning and childcare: follow-up

# Dunbartonshire and Argyll & Bute Valuation Joint Board

## 2019/20 Annual Audit Report

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**DUNBARTONSHIRE and ARGYLL & BUTE VALUATION JOINT BOARD****Report by Treasurer****Valuation Joint Board – 16 September 2020**

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**Subject: Draft Annual Accounts for Year Ending 31 March 2020.**

**1. Purpose**

- 1.1 The purpose of this report is to present to the Board the Annual Accounts for the year ending 31 March 2020.

**2. Background**

- 2.1 The Local Authority Accounts (Scotland) Regulations 2014 (the accounts regulations) came into force on 10 October 2014 and introduced best practice expectations on:

- (a) the Draft Annual Accounts being reported to the Board for formal consideration prior to submission to External Auditors for audit 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 with the accounts available for inspection by 1 July each year.

- 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 (£54,703) or £100,000 whichever is higher.

**3. Main Issues**

- 3.1 Audit Scotland has finalised their audit of the Joint Board's 2019/12 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 18) consists of an annual report from the Assessor and Treasurer on matters of interest including financial and non-financial performance during the year, service changes and developments, impact of financial climate and risks, provisions and contingencies.
- 3.4 Members' attention is drawn to the Statement of Responsibilities on pages 23 and 24.

- 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 Management Commentary summarises the financial position of the Board. The Board's 2019/20 budget was constructed to break even using £0.162m of balances. However the Board completed the year with a further contribution to the funds brought forward of £0.032m and did not need to access reserves. This contribution, together with the unused planned use of £0.162m, results in an overall underspend against budget in-year of £0.194m. The main variances are shown in the table below:

<b>Spend Area</b>	<b>Variance £000</b>	<b>Comments</b>
Employee	86	This underspend is mainly due to non-filling of vacancies.
Supplies & Services	39	This underspend is across a number of headings (such as machine lease, computer licences, telephones, printing & stationery).
Income	42	During the financial year the Board received additional grant income from the Cabinet Office to cover the costs of IER. Also income from Fees & Charges was higher than anticipated.

- 3.6** As at 31 March 2020, the Board held usable reserves as noted below:

	<b>£000</b>
<b>Opening Balance at 1 April 2019</b>	<b>552</b>
Revenue Gains/(Losses) on the fund	32
<b>Closing Balance at 31 March 2020</b>	<b>584</b>
<b>Earmarked Balances:</b>	
2020/21 Budget	(153)
ICT Consultancy (Civil Penalties)	(5)
<b>Total Earmarked Balance</b>	<b>(158)</b>
<b>Total General Reserves (incl. £0.100m prudential reserve)</b>	<b>426</b>

- 3.7** The main change from the draft Accounts is a revision to the Pension information within the financial statements and notes. Since the production of the draft Accounts the UK Government issued a consultation process on the remedy proposed for the McCloud decision and its impact on pension costs. This remedy would mean that the estimated impact of McCloud may now be less than half of the previously estimated cost which was included in the draft balance sheet position. As a result a revised actuaries report was requested and received from the Pension Fund and the impact is that the financial statements have been amended to reflect the new valuation and a reduction to the pension liability of £0.171m from the position within the draft Accounts.
- 3.8** The ongoing coronavirus situation is one which will have impacts at all levels on both the Joint Board and the wider world. As well as having a direct effect on the immediate delivery of the Board's statutory functions, the outbreak is likely

to have both direct and indirect effects in medium and long term. All future projections contained within the 2019/20 Annual Accounts are based on current timetables and assumptions but these could be affected as the situation progresses and the effects become clearer. The Board, will at the appropriate time, carry out a post-incident review and highlight any lessons learned.

**3.9** The coronavirus situation has resulted in significant disruption for public bodies and their capacity for financial reporting, and to auditors of the public sector. Due to this, the Auditor General for Scotland and the Accounts Commission for Scotland intend to extend the current audit appointments by one year.

**3.10** The Joint Board recognises the financial climate facing public services and has continued to seek efficiencies when possible. The requisition by the Board for 2019/20 remained at 2018/19 level. The board received £0.125m from constituent authorities for implementation of the Barclay Review. 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 2021/22 and beyond and management continues to plan for this to ensure ongoing service delivery reflecting the increasing workload to the Board.

**3.11** The Finance Strategy Group held their second meeting on 6 December 2019 and discussed the draft 2020/21 budget, requisitions and Barclay Review Implementation. Due to the General Election in December 2019 and no finance settlement to Local Authorities from the Scottish Government, Finance Officers agreed that a standstill position on the level of core requisition provided for 2020/21. Finance Officers also agreed to increase their level of contributions for the Barclay Review Implementation from £0.124m in 2019/20 to £0.193m for 2020/21.

#### **4. Conclusions and Recommendations**

**4.1** The finances of the Board have been closely managed during 2019/20 allowing a better financial position to be achieved 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 2020.



**Stephen West**  
**Treasurer**

**Date: 16 September 2020**

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**Person(s) to Contact:** Joanne Thomson, Accountant  
West Dunbartonshire Council  
Telephone (01389) 737875

**Appendix:** Audited Annual Accounts for year ended 31 March 2020



*Dunbartonshire and Argyll & Bute  
Valuation Joint Board*

**ANNUAL ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2020**

## CONTENTS

	<u>Page Nos.</u>
1. Members of the Board	1
2. Management Commentary	2 - 18
3. Remuneration Report	19 - 22
4. Statement of Responsibilities	23 - 24
5. Annual Governance Statement	25 - 29
6. Introduction to Annual Accounts	30
7. Comprehensive Income and Expenditure Statement for the year ended 31 March 2020	31
8. Movement in Reserves Statement	32 - 33
9. Balance Sheet as at 31 March 2020	34
10. Cashflow Statement for the year ended 31 March 2020	35
11. Notes to the Annual Accounts	36 – 54
12. Independent Auditor's Report	55 - 58

**JOINT BOARD MEMBERS AND OFFICIALS AS AT 31 MARCH 2020**

**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 continuing 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 2019/20 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. 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 to be treated as local authorities) are contained in The Code of Practice on Local Authority Accounting in the United Kingdom (the "Code").

For much 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.

The Barclay Review, which reported in 2018, culminated in the publication of the Non-Domestic Rates (Scotland) Bill in March 2019. The Bill was amended through its various stages in the Scottish Parliament and the resultant Non-Domestic Rates (Scotland) Act received assent on 11 March 2020. The Act will bring about substantial change in the Non-Domestic Rating (NDR) system, more detail of which is provided below.

Maintenance of the Council Tax List is relatively stable but still requires application of significant resource.

The annual Electoral Register was published on 11 November 2019, this being accelerated from the normal 1 December publication date because of the 'snap' UK Parliamentary General Election. An unexpected European Parliamentary election in May of 2019 merely added to the workload in a year when no elections had been planned or budgeted for.

Both the UK and the Scottish Parliaments legislated for reform of the annual electoral canvass to take effect in 2020 and the franchise for Scottish Parliamentary and Local Government elections (including voting rights for some prisoners) will be extended during 2020.

The Management Team continues to be the main forum for decision making within the organisation. It met regularly throughout 2019/20 to manage statutory functions and operations, and develop, implement and monitor policies and strategies. Additionally, the Joint Board established a Funding Working Group that met to address the ongoing budget gap.

As a consequence of the worldwide Coronavirus/COVID-19 outbreak, and following the guidance issued by the First Minister, our offices were closed in mid-March. A number of employees have the capability to work from home and, within the constraints of the restrictions, reduced services have been maintained. As well as having a direct effect on the immediate delivery of our statutory functions, the outbreak is likely to have both direct and indirect effects in medium and long term. All future projections contained within this Commentary are based on current timetables and assumptions but these could be affected as the situation progresses and the effects become clearer.

## 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;
- 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 and make it available to 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

Subsequent to the 2017 revaluation, 3,569 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 31 December 2020.

During 2019/20, 1,012 appeals were disposed of taking the cumulative disposals to 3,147. In total 958 (30%) have resulted in a rateable value adjustment and 2,189 (70%) have resulted in no adjustment.

#### Maintenance of the Valuation Roll

The Valuation Roll was updated to take account of additions, alterations and deletions. 928 amendments were made during the year. The reduction in RV during the year arises primarily from appeal adjustments.

Total No of entries @ 1st April 2019	14,972
Total Rateable Value @ 1st April 2019	£368.7million
Total Number of entries @ 31st March 2020	15,141
Total Rateable Value @ 31st March 2020	£367.7million

The national Key Performance Indicator in relation to non-domestic valuation is the time taken from the effective date of amendments to the date a Valuation Notice in respect of each change is issued. The following table sets out the targets and actual performance information for 2019/20:

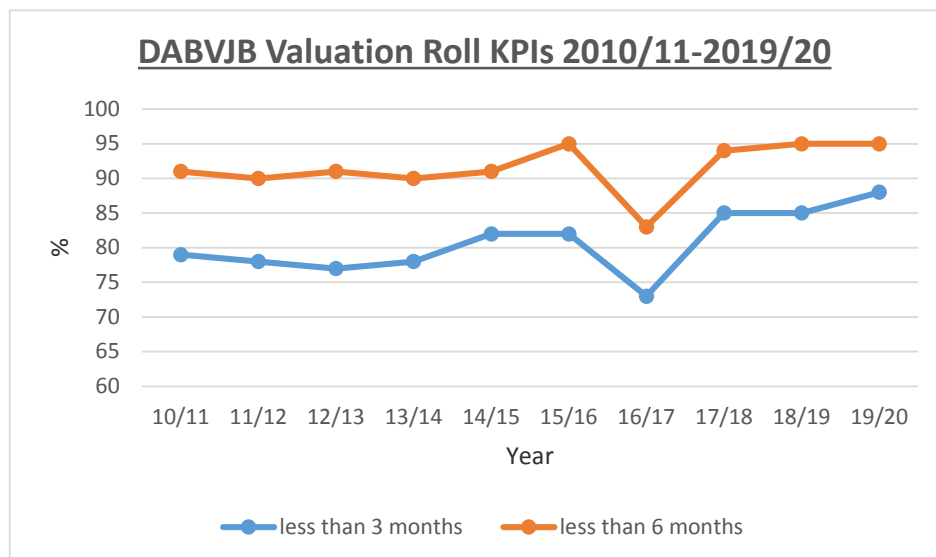
Period	Actual 2018/19	Target 2019/20	Actual 2019/20				Scotland 2018/19*
			Argyll & Bute	West D'shire	East D'shire	VJB Area	
0-3 months	85%	86%	90%	81%	86%	88%	67%
3-6 months	10%	9%	6%	9%	7%	7%	16%

\*Collation of 2019/20 all-Scotland figures delayed by COVID-19 interruptions

## 2.0 GENERAL PROGRESS IN RELATION TO STATUTORY FUNCTIONS

### 2.1 NON-DOMESTIC RATING (Cont'd)

Thus our target was marginally surpassed at 'less than 3 months' and met at 'less than 6 months'. Our performance over the period since 2010/11 is shown below and this illustrates that our performance in 2019/20 was as high as it has ever been.



### 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. 2019/20 saw some progress in relation to disposal of these and, at 31 March 2020, 7 appeals remain outstanding from the 2005 cycle (9 at March 2019) and 29 appeals from the 2010 cycle (48 at March 2019).

With the date for disposal of 2017 Revaluation appeals approaching, it is expected that a significant number of applications for referrals to Lands Tribunal will be received during 2020.

### 2017 Running Roll Appeals

During the year 2,510 new running roll appeals (i.e. not related to the Revaluation) were received, compared to 192 in 2018/19. During the year, 161 were disposed of leaving 2,815 outstanding.

In March, 2,418 appeals (included in the above) were received, the majority of which claim that the COVID-19 outbreak constituted a material change of circumstances. The disposal dates for these appeals are in March 2021 and dealing with these appeals constitutes a very significant additional and unexpected burden on the service.

## 2.1 NON-DOMESTIC RATING (Cont'd)

### Non-Domestic Rating Reform

The main changes affecting the Assessor in the Non-Domestic Rates (Scotland) Act 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 parts of public parks, and 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;
- (f) Recipients of Civil Penalty notices will have the right to appeal the application of a penalty; and
- (g) Assessors will be required to provide ratepayers with certain information on how their Rateable Values have been arrived at.

A tranche of secondary legislation, including a requirement for the Assessor to check that Self-Catering Units are actually let for 70 days in any year, will be required to support the Act. Detail in relation to secondary legislation and policy intention has, however, been slow to come forward, thus impacting on the ability to plan for the changes. Notwithstanding the above, progress has been made in respect of recruitment and ICT system development.

The Scottish Government has supported the implementation of NDR reform through the provision of funding via the constituent councils. For 2019/20, £124,000 was provided to offset additional costs of reform, which were incurred across a number of budget lines, and £197,000 has been provided for 2020/21.

## 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 maintain or 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 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 31 March 2020 saw 1,061 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 2019	145,266
Total Number of entries @ 31st March 2020	145,569

The national Key Performance Indicator in relation to Council Tax valuation is the time taken from the effective date of additions to the Valuation List to the date a Banding

## 2.2 COUNCIL TAX (Cont'd)

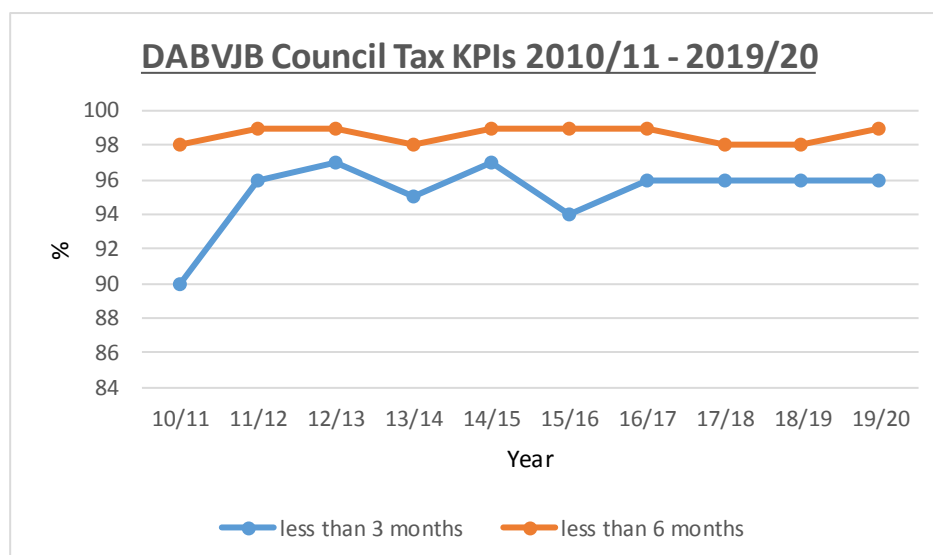
### Maintenance of Valuation List (Cont'd)

Notice in respect of each new entry is issued. The table (below) sets out the target and actual performance information for 2019/20 compared with the actual figures for 2018/19 and shows that our targets were achieved or surpassed.

Period	Actual 2018/19	Target 2019/20	Actual 2019/20				Scotland 2018/19*
			Argyll & Bute	West D'shire	East D'shire	Whole VJB Area	
0-3 months	96%	96%	96%	99%	94%	96%	92%
3-6 months	2%	2%	2%	1%	6%	3%	5%

\*Collation of 2019/20 all-Scotland figures delayed by COVID-19 interruptions

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



### Proposals and Appeals

During the year, 327 (327 in 2018/19) new proposals to change property Bands were received and 302 (300 in 2018/19) were disposed of, leaving 217 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;
- 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 and Electoral Commission performance standards;
- To encourage Electoral Registration in the three constituent Council areas; and
- To support the efficient running of electoral events within the Joint Board area.

## 2.3 ELECTORAL REGISTRATION (Cont'd)

### Electoral Registration and Publication of the Register

Individual Electoral Registration (IER), which was introduced in 2014, continued to result in additional costs over the previous regime. To support this cost we received a grant of £62,721 from the Cabinet Office and, subsequently, a further £14,659 following a 'Justification Led Bid' application process. The 2019/20 budget estimates had forecast grant income of £40,000.

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. There is a duty on EROS to follow-up on non-returned HEFs resulting in the following numbers being issued.

Council Area	Initial issue	1 <sup>st</sup> Reminder	2 <sup>nd</sup> Reminder	%age Return
Argyll & Bute	48,664	17,503	11,436	85%
East Dunbartonshire	47,068	17,894	11,281	85%
West Dunbartonshire	45,301	22,372	16,480	72%
<b>VJB Total</b>	<b>141,033</b>	<b>57,769</b>	<b>39,197</b>	<b>81%</b>

The total response rate of 81% is similar to previous canvass returns despite the canvass being brought to a halt early to allow for the UK Parliamentary election.

Year	Canvass return
<b>2019</b>	<b>81%</b>
2018	82%
2017	80%
2016	81%
2015	75%

The persistently low return rates for West Dunbartonshire, compared to the other two council areas, are a source of ongoing concern.

Several methods of making returns were offered to electors and a summary of the returns is shown below:

Method of Response	2018 Canvass		2019 Canvass	
	No of Returns	% age return	No of Returns	% age return
Post	54,347	38.66%	46,848	33.22%
Electronic (web/phone/SMS)	45,432	32.32%	52,525	37.24%
Phone/Email contact	2,935	2.09%	2,605	1.85%
Door-to-door canvass	6,075	4.32%	5,829	4.13%
Verified as second home/long term empty	5,231	3.72%	5,070	3.59%
Returned/Empty/ Other	1,308	0.93%	1,317	0.93%
<b>Total</b>	<b>115,328</b>	<b>82.04%</b>	<b>114,194</b>	<b>80.96%</b>

Notably, the use of electronic returns (web/phone/SMS) outstripped postal returns for the first time.

## 2.3 ELECTORAL REGISTRATION (Cont'd)

### Electoral Registration and Publication of the Register (Cont'd)

During the canvass period there were 10,794 electors added to the registers for the Joint Board area and 11,885 deletions. This resulted in a total electorate of 219,861 at publication on 11 November split as shown over:

Local Authority	Electorate
Argyll & Bute	67,703
East Dunbartonshire	84,925
West Dunbartonshire	67,233

The total electorate figure is marginally up on the total at publication in December 2018, though the year-to-year total electorate is quite varied (below).

Year	No of Electors
<b>2019</b>	<b>219,861</b>
2018	219,637
2017	222,507
2016	221,078
2015	218,668
2014	223,594

### Absent Voters

Generally, the trend in Absent Voter numbers since IER was introduced has been downward and this continued in 2019.

Year	No of Absent Voters
<b>2019</b>	<b>33,916</b>
2018	34,110
2017	35,918
2016	37,764
December 2015	38,376
February 2015	34,525

### Rolling Registration

Rolling Registration is the process of dealing with changes which take place outwith the canvass period. During 2019/20 there were 9,451 additions to the register and 6,759 deletions made through the rolling registration process.

## **2.3 ELECTORAL REGISTRATION (Cont'd)**

### **Electoral Performance**

Based on their own assessment of risk, the Electoral Commission (EC) did not request evidence of compliance with their published performance standards during 2019/20. A meeting did, however, take place with the Electoral Commission in relation to performance and no adverse report has resulted.

The EC are currently consulting on a new performance regime that will take account of the reformed canvass. We will retain an awareness of the emerging requirements and react as appropriate.

Originally, there were no electoral events scheduled to take place during 2019/20 and no budget provision had been made for such events, but the extension to the UK's membership of the European Union resulted in a European Parliamentary Election being held in May, which was planned and implemented at short notice. To accommodate the timetable for the 'snap' UK Parliamentary (UKPGE) election in December, the annual canvass was terminated and the revised Electoral Register was published early. There was a very significant level of public engagement in the registration process with almost 12,000 applications to be added to the register being received in the period leading up to the last date for registrations.

These elections reiterated just how much the registration process is now being driven by electoral events and the accompanying social media activity arising from them. Both events required the application of overtime for staff which was not originally budgeted for and really tested the capability of our current staffing levels and other resources. The Electoral Commission subsequently acknowledged that "the UK Government needs to identify improvements to...the funding model for elections, to help EROs effectively manage large numbers of registration applications...ahead of major electoral events".

### **Canvass Reform**

The Representation of the People (Annual Canvass) (Amendment) Regulations 2019 make provision for canvass reforms as they apply to the UK Parliamentary Registers. The Representation of the People (Annual Canvass) (Miscellaneous Amendments) (Scotland) Regulations 2020 made similar provision for the Scottish Parliamentary and Local Government register.

The new canvass process will commence with registers being matched to government information sources and a number of canvass options will be available to EROs depending on the match/non-match status of each household. The aim is to reduce the overall administration of the canvass and to allow EROs to focus resources on areas where they are most required.

Planning is well under way and it is expected that the 2020 canvass will commence on Monday 3 August following rounds of national and local data matching. Electoral Management System changes are being driven by central government and training in the new processes will be provided to all relevant employees.

### **Franchise Extension**

The Scottish Elections (Franchise and Representation) Act received assent on 1 April 2020 and provides for the extension of the franchise for Scottish Parliamentary and Local Government elections to include certain Prisoners and non-national residents of Scotland. Again plans are being made and systems being updated to accommodate these changes.



### **3.0 GENERAL PROGRESS IN RELATION TO OTHER MATTERS**

#### **3.1 INFORMATION AND COMMUNICATIONS TECHNOLOGY**

##### **IT and Computer Provision**

Computers and IT systems continue to be maintained and upgraded in accordance with the Joint Board's IT Strategy and the recommendations from West Dunbartonshire Council's ICT Service.

A main focus for our ICT staff has been the redevelopment of NDR systems to accommodate the forthcoming reforms (see above) and good progress has been made.

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

We have continued to participate in the Scottish Assessors' web portal's Project Management Committee, Project Team and Working Group to enhance the site ([www.saa.gov.uk](http://www.saa.gov.uk)).

#### **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 2018/19 Public Performance Report was published during 2019/20 on our web site ([www.saa.gov.uk/dab-vjb/](http://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, a number of actions were taken, or were ongoing, during 2019/20 which are detailed in the Annual Governance Statement on pages 25 to 29.

##### **Audit**

During the year Internal Audit carried out a review of our Risk Management regime. The Audit Report concluded that the risk management systems examined are working well and highlighted several areas of good practice. The report also highlighted the need to record our management of emerging risks relating to the COVID-19 outbreak.

An Audit Plan was agreed which identified the main areas for scrutiny during the audit of 2019/20, 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;
- Review the estimation and judgement in the measurement and valuation of the Joint Board's pension liability;
- Review the financial sustainability of the Joint Board;
- Evaluate the risk that the financial position of the Joint Board is not sustainable in the longer term, and
- Consider the risk that the DABVJB will be unable to meet the increased operational needs arising from the Non-Domestic Rates (Scotland) Act, due to insufficient resources.

### 3.2 BEST VALUE (Cont'd)

#### Audit (Cont'd)

- In line with the above plan, the finances of the Joint Board for 2019/20 were audited by Audit Scotland and the report 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 is included on pages 55 – 58.

#### Customer Satisfaction

Users of the Joint Board's services are randomly sampled and issued with questionnaires to seek their perception of the service provided to them. A summary of the results for the year is provided below.

	2015/16	2016/17	2017/18	2018/19	2019/20
Was the person with whom you communicated professional, courteous and helpful?	97%	97%	99%	94%	<b>98%</b>
Was the matter brought to a satisfactory conclusion immediately?	62%	68%	62%	60%	<b>61%</b>
Was the matter brought to a satisfactory conclusion?	96%	97%	97%	93%	<b>97%</b>
Are you satisfied with the quality of the information or advice given to you?	94%	97%	96%	93%	<b>96%</b>

No Customer Satisfaction forms were requested in alternative languages, Braille or other formats. 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 14 Complaints received during 2019/20, compared to 18 in 2018/19 and 15 in 2017/18, with 13 relating to Electoral Registration and one to Council Tax. Most complaints were resolved at the Frontline Resolution stage with 3 being escalated to the Investigation stage. No complaints were referred to the Ombudsman.

The Scottish Public Sector Ombudsman has recently revised the Model Complaint's Handling Procedure and, looking to the coming year, the format and content of this will be reviewed. A revised procedure will be prepared for implementation in the Joint Board as required by April 2021.

## 3.2 BEST VALUE (Cont'd)

### Financial Performance

#### General

In June 2019, the Joint Board established a Funding Working Group to address the ongoing budget gap and consider the additional pressures being introduced by NDR Reform. The Group met twice during the year and provided a valuable contribution to the overall financial governance of the Board. The Group were able to recommend standstill contributions from the Councils at an early stage of the budget preparation process.

#### 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 £0.295m. However this takes account of adjustments between the accounting and funding basis of (£0.327m) resulting in the in-year surplus of £0.032m as shown in the table on page 44.

	<b>Comprehensive Income &amp; Expenditure Statement £000</b>	<b>Statutory Adjustments £000</b>	<b>Actual £000</b>	<b>Budget £000</b>	<b>Variance £000</b>
Employee Costs	2,446	(213)	2,233	2,319	86
Property Costs	111	0	111	122	11
Transport Costs	44	0	44	45	1
Supplies & Services	250	0	250	289	39
Payments to Other Bodies	30	0	30	45	15
Support Services	123	0	123	123	0
Depreciation	14	(14)	0	0	0
Other Costs: (Pensions)	129	(129)	0	0	0
<b>Total Expenditure</b>	<b>3,147</b>	<b>(356)</b>	<b>2,791</b>	<b>2,943</b>	<b>152</b>
Requisition Income	(2,735)	0	(2,735)	(2,736)	(1)
Capital Income	(29)	29	0	0	0
Grant Income	(77)	0	(77)	(40)	37
Rental Income	(2)	0	(2)	(2)	0
Sales, Fees & Charges	(9)	0	(9)	(3)	6
<b>Total Income</b>	<b>(2,852)</b>	<b>29</b>	<b>(2,823)</b>	<b>(2,781)</b>	<b>42</b>
<b>(Surplus)/Deficit for the year</b>	<b>295</b>	<b>(327)</b>	<b>(32)</b>	<b>162</b>	<b>194</b>

### 3.2 BEST VALUE (Cont'd)

#### Comprehensive Income and Expenditure Statement (Cont'd)

The main budget variances are shown below:

<b>Spend Area</b>	<b>Variance £000</b>	<b>Comments</b>
Employee	86	This underspend is mainly due to non-filling of vacancies.
Supplies & Services	39	This underspend is across a number of headings (such as machine lease, computer licences, telephones, printing & stationery).
Payments to Other Bodies	15	This underspend is mainly due to expenditure relating to the Valuation Appeals Committee being lower than anticipated.
Income	42	During the financial year the Board received additional grant income from the Cabinet Office to cover the costs of IER. Also income from Fees & Charges was higher than anticipated.

#### Balance Sheet

##### Assets Valuations - Material valuation uncertainty due to Novel Coronavirus (COVID – 19)

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a “Global Pandemic” on the 11th March 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries. Market activity is being impacted in many sectors. As at the valuation date, the Board’s professional valuers considered that less weight could be attached to previous market evidence for comparison purposes, to inform opinions of value. Indeed, the current response to COVID-19 means that the valuers are faced with an unprecedented set of circumstances on which to base a judgement. The valuations are therefore reported as being subject to ‘material valuation uncertainty’ as set out in VPS 3 and VPGA 10 of the RICS Valuation – Global Standards. Consequently, less certainty – and a higher degree of caution – should be attached to the valuation than would normally be the case.

For the avoidance of doubt, the inclusion of the ‘material valuation uncertainty’ declaration above does not mean that the valuation cannot be relied upon. Rather, the declaration has been included to ensure transparency of the fact that – in the current extraordinary circumstances – less certainty can be attached to the valuation than would otherwise be the case. The material uncertainty clause is to serve as a precaution and does not invalidate the valuation.

The Board’s assets were last formally valued as at 31 March 2017 and are due for formal revaluation as at 31 March 2022 (following the policy to revalue within a minimum of every 5 years). The decision was taken to leave the valuations unchanged in 2020 following consideration of the inputs and the information that was available as at 31 March 2020. The valuers reviewed the information published by BCIS in terms of build cost information and noted that there had only been a nominal adjustment, less than 1%, between the information relied upon and that which was available on 31 March 2020 and concluded that this was not sufficient to merit amendment of the valuations provided.

## **3.2 BEST VALUE (Cont'd)**

### **Balance Sheet (Cont'd)**

The balance sheet shown on page 34 features an assessed pension fund liability of £3.190m based on the valuation of the fund at 31 March 2020. 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 46 to 49 and the valuation states that assets held at the valuation date were sufficient to cover only 86% 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 decreased by £2.027m 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 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 (19/20 £54,703) 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 2020 the Board held total usable reserves of £0.622m (of which £0.038m relates to unapplied capital reserves) with the remaining balance comprising revenue reserves of £0.584m. A proportion of this is identified as an earmarked balance (£0.153m) to balance the 2020/21 budget and (£0.005m) for ICT Consultancy Fee -Civil Penalties. Once the earmarked balances are accounted for this leaves £0.426m of general reserves available 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 2019/20 remained the same as 2018/19. The board also received £0.125m from constituent authorities for the implementation of the Barclay Review. 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 2020/21 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

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. This risk increased in the coming year by the amount of legislative change referred to below, particularly where secondary or supporting legislation has been slow to come forward.
- Current and expected future local government settlements, with static or reduced funding, bring a number of related financial risks and/or risk of failure to meet statutory duties, particularly in light of the changes referred to in the risk above.
- Specific risks arise from the introduction of a 3-yearly NDR Revaluation cycle and a 2-stage appeals process.
- The dependency of the Joint Board on ICT for delivery of its statutory functions and service delivery.
- Planned changes to the Electoral Registration system including canvass reform and the introduction of voting rights for (some) prisoners and all residents of Scotland for some polls.
- There is a real, medium term, risk that the combined effect of NDR reform and the reduced availability of relevant training provision by Universities, will be to make it increasingly difficult to attract, train and retain enough professional staff to carry out our statutory duties.

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

Since the 2020 Risk Register was agreed by the Management Team, the effects of the COVID-19 outbreak have escalated and this had become the most immediate risk facing the Joint Board by the end of the financial year. As a result, the following risk has been added to the Board Risk Register:

- The pandemic COVID-19 viral outbreak and the government restrictions to combat its effects represent significant risks to the delivery of the Assessor and ERO's statutory functions, to Joint Board employees' health and to various aspects of our interactions with service users and stakeholders. It may also affect the Joint Board's oversight of the Assessor & ERO's functions.

A new COVID-19 Risk Register focussed on all the varying effects of the outbreak has been developed and actions have been identified.

## 3.3 EQUALITIES

The Joint Board's 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.

An Equality Report was published in April 2019 that contains updates on our progress in achieving these Outcomes, Workforce Monitoring and our Pay Gap. The Report can be viewed in full at <https://www.saa.gov.uk/dab-vjb/wp-content/uploads/sites/5/2019/08/DAB-VJB-Public-Sector-Equality-Duty-April-2019.pdf>.

### **3.4 STAFFING MATTERS**

#### **Development and Training**

Currently, employees review their training needs with their line manager on an annual basis and the resultant Training and Development Plan informs the provision of training throughout the year. In line with an action from a Governance self-assessment, the current process was revised during 2019/20 to include elements of performance management. A revised Policy is currently subject to consultation with the relevant trades union and it is expected that it will be presented to the Joint Board for approval during 2020/21.

In addition to staff's Core Training programme, training across a range of subjects was provided in 2019/20 through externally sourced courses, in-house training events and e-learning facilities.

The last year proved to be one of significant turnaround in employees. Between 31 March 2019 and 31 March 2020, 5 members of staff retired and 3 resigned from the Joint Board. In the same period, 3 employees were recruited. When taken with various other changes to working patterns, the Full Time Equivalent workforce fell from 51.02 to 47.25. This reduction in staffing forms part of our efforts to address the budget gap but it is clear from the pressures felt in preparing for elections, in dealing with NDR appeals and at key points throughout the year, that staffing levels have been reduced a point where service delivery is notably affected. A Workforce Plan has been approved and recruitment is planned for 2020/21, partly supported by the NDR Reform funding. The Management Team will continue to use performance information to keep the situation under review.

#### **Personnel Policies**

During the year, the Board approved a number of personnel and related policies largely in line with the approach in West Dunbartonshire Council.

### **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 2019, 15 requests which specifically referred to the Freedom of Information Act were received. This compares to 58 in 2018 and 21 requests in 2017.

Seven requests received related to Electoral Registration, three requests related to Non-Domestic Rating, and five related to Council Tax. Nine requests were answered in full and three in part. The information requested was not held for two requests and clarification of the request was not provided in one instance. All requests were answered within the statutory timescales.

### **3.6 RECORDS MANAGEMENT**

In late January 2020, The Keeper of the Records of Scotland (The Keeper) invited the Joint Board to make a submission under the Progress Update Review process and that is under consideration.

### 3.7 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. More on the association can be found at <https://www.saa.gov.uk/about-the-saa/>.

Valuation Joint Board staff are represented in the Association in all of its Category Committees, in working groups and as authors of Practice Notes. The co-operation and co-ordination of the Association is of critical importance in the completion, and defence of Revaluations.

During 2019/20, the Association was active as a consultative body as the NDR Reform Bill made its way through the Parliamentary Committee. 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.

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 canvass reform and 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 which was revised in early 2020. Thanks are due to all of the West Dunbartonshire Council officials who support the Joint Board.

### 3.8 CONCLUSION

2019/20 was seen as a year in which general maintenance of our services would proceed in parallel with a focus on planning for the NDR and Electoral Registration changes that are scheduled to take effect in subsequent years. Progress was made with disposal of Revaluation appeals and our maintenance obligations were met across all services. However, the lack of secondary NDR legislation and the additional workload caused by two late notice electoral events did impede our planning objectives.

Reducing staffing levels are, in the context of a persistent budget gap, a fact of life but it is clear that the reduction in staff numbers is affecting our capabilities.

The ongoing COVID-19 situation is one which will have impacts at all levels on both the Joint Board and the wider world, now and in the future, and that will almost certainly result in the 'best laid schemes' being subject to constant review and revision.

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: 16 September 2020

David Thomson  
Assessor & Electoral Registration  
Officer

Date: 16 September 2020

Stephen West  
Treasurer

Date: 16 September 2020



## 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 31/03/20	Year ended 31 March 2020		2018/19
		Salary, Fees & Allowances £000	Total Remuneration £000	Total Remuneration £000
David Thomson	Assessor & Electoral Registration Officer	101	101	99
Robert Nicol	Depute Assessor & ERO	84	84	79

**1. 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.

**Table 2: Remuneration**

<b>Bands</b>	<b>Number of Employees</b>	
	<b>2018/2019</b>	<b>2019/2020</b>
<b>£</b>		
55,000 to 59,999	2	2
75,000 to 79,999	1	0
80,000 to 84,999	0	1
95,000 to 99,999	1	0
100,000 to 104,000	0	1
<b>Total</b>	<b>4</b>	<b>4</b>

### 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 below provides information on these tiered contribution rates.

**Table 3: Contribution Rate**

<b>The tiers and members contributions rates for 2019/20 whole time pay</b>	<b>Contribution rate 2019/20</b>
On earnings up to and including £21,800	5.50%
On earnings above £21,801 and up to £26,700	7.25%
On earnings above £26,701 and up to £36,600	8.25%
On earnings above £36,601 and up to £48,800	9.50%
On earnings above £48,801	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 1/49<sup>th</sup> of pay from 1 April 2015. Prior to this the accrual rate guarantees a pension based on 1/60<sup>th</sup> of final pensionable salary and years of pensionable service. Prior to 2009 the accrual rate guaranteed a pension based on 1/80<sup>th</sup> and a lump sum based on 3/80<sup>th</sup> of final pensionable salary and years of pensionable service.

## REMUNERATION REPORT (Cont'd)

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.

### Pension Benefits of Senior Employees

**Table 4: In-year contributions and accrued benefits**

Name	For year to 31 March 2020			For year to 31 March 2019		
	In-year	Accrued pension		In-year	Accrued pension	
	Contribution	Pension	benefits Lump Sum	contribution	Pension	benefits Lump Sum
	£000	£000	£000	£000	£000	£000
David Thomson	20	50	88	21	46	86
Robert Nicol	17	32	47	17	29	45

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 2019/20 and 2018/19.

## 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 2020 are shown in the table below.

**Table 5: Trade Union**

<b>Trade Union Officials</b>	<b>Trade Union Representative</b>
0	1
<b>Percentage of Time Spent on Facility Time</b>	
<b>Percentage</b>	<b>Employees</b>
Less than <1%	1
<b>Total cost of facility time</b>	
£225	
<b>Total pay bill</b>	
£2,215,784	
<b>Percentage of Pay Bill Spent on Facility Time</b>	
0.01%	
<b>Paid TU Activities</b>	
100%	

Councillor Richard Trail  
Convenor of the Board  
Date: 16 September 2020

David Thomson  
Assessor and Electoral Registration Officer  
Date: 16 September 2020

## **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 16 September 2020.

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

Councillor Richard Trail  
Convenor of the Board  
Date: 16 September 2020

## **STATEMENT OF RESPONSIBILITIES (Cont'd)**

### **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 2020.

Stephen West  
Treasurer  
Date: 16 September 2020

## **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), a Code of Good Governance 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 and update in 2016, sets the standard for local authority governance in the UK and applies 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 on the recommendation of our external auditors, the Joint Board has adopted 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 is completed annually 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 on the Board's website at: <https://www.saa.gov.uk/dab-vjb/best-value/>

## **ANNUAL GOVERNANCE STATEMENT (Cont'd)**

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 statutory duties, 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.

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, and 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. Shared Services Audit and Fraud 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 Shared Services Audit & Fraud 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 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 2020;
- 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.



## **ANNUAL GOVERNANCE STATEMENT (Cont'd)**

### **Review of Effectiveness (Cont'd)**

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 2020.

### **COVID – 19**

The COVID-19 outbreak and the government restrictions on attending workplaces in March 2020 tested how well the risk management, governance and internal control framework is operating within the Board. Several processes, both operational and financial, which had previously relied on paper-based authorisations, were reviewed to enable them to be completed digitally/remotely but no significant issues arose and all statutory duties were maintained with minimum disruption. Similarly, the Valuation Joint Board meeting which was scheduled for June 2020 was, following consultation with the Clerk to the Board, facilitated virtually.

### **Annual Performance**

Examples of developments which have led to significant improvement in arrangements for control, governance or risk management within the Joint Board during 2019/20 include:

- To improve compliance with best practice in relation to Data Protection and Records Management, the Joint Board's 'Data Information Asset Register' and 'Business Classification & Retention of Documents' were reviewed and updated.
- Induction and other training in financial, budgetary and procurement procedures was provided to the newly appointed Principal Administrative Officer to ensure that proper procedures, including Financial Regulations, are followed.
- An annual self-assessment against the CIPFA/Solace "Delivering Good Governance in Local Government: Framework" was carried out and an Action Plan approved by the Management Team.
- The Joint Board's Standing Orders, Financial Regulations and Scheme of Delegation were reviewed and updated to ensure alignment with current best practice, partner Council procedures and emerging procurement methods.
- The Joint Board's Service Level Agreement with West Dunbartonshire Council in respect of support services provided by the Council was reviewed and updated.
- A Joint Board Funding Working Group was convened to identify possible options to address the projected budget gaps. The group ensured a shared Member/officer focus on the delivery of efficiencies, options for future savings and service delivery and allowed each constituent Council to agree its contributions to the Board for 2020/21 early in the budget setting process.

## **ANNUAL GOVERNANCE STATEMENT (Cont'd)**

### **Annual Performance (Cont'd)**

- A Workforce Plan, which formalises and records the internal and external factors affecting the required employee numbers, skill sets and training, necessary to deliver current and future service objectives was developed and approved.
- Several Personnel/HR-related Policies, including a Wellbeing Charter and the Pensions Discretions Policy were introduced or updated during 2019/20, 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 Joint Board's Induction Procedures were completely reviewed and updated to provide a clear consistent process to, and ensure clarity of responsibilities for, managers. The procedures also provide new employees with a sound introductory knowledge of the organisation and ensure adherence to key policies.

The following areas were identified by the Assessor for further improvements in 2020/21:

- To comply with the sections of the Non-Domestic Rates (Scotland) Act 2020, which were commenced with effect from April 2020, new processes and procedures around Assessor Information Notices, Civil Penalties and appeals against civil penalties will require to be implemented. To take advantage of an existing process and avoid duplication of effort, the collection and recovery of Civil Penalties will be facilitated through development of West Dunbartonshire Council's debtors systems.
- To comply with legislative reform to the annual electoral canvass and the extension of the franchise for certain elections, new processes and procedures, including upgraded ICT systems, for both the annual electoral canvass and the extension of the franchise will be implemented. A new Canvass Plan will be devised, the Electoral Participation Strategy will be reviewed and the Electoral Commission's Performance Reporting procedures implemented. In-house staff and canvasser Guidance and Training will also be reviewed.
- An Action Plan as agreed with the Auditor in respect of the 2019/20 Audit of the Joint Board's Risk Management regime and any improvements will be implemented, as appropriate.
- A revised training and development procedure, which includes management and appraisal of individual performance will be finalised, agreed and approved.
- Further consideration will be given to the Non-Domestic Rates (Scotland) Act 2020 and the 2022 Revaluation, particularly in light of the Act's commencement dates and the secondary legislation which will follow. As these become clearer the Management Team and internal NDR Reform Project Team will devise and amend procedures and systems accordingly. Recruitment to support reform will be completed in line with the approved Workforce Plan.
- A new Joint Board Comments and Complaint Procedure will be developed in line with the new Scottish Public Sector Ombudsman's revised Model Complaints Handling Procedure. Board approval sought for a revised procedure prior to implementation in April 2021.

## **ANNUAL GOVERNANCE STATEMENT (Cont'd)**

### **Annual Performance (Cont'd)**

- A post-incident review of the response to the COVID-19 outbreak will be completed and any lessons learned and actions will be reported to the Board.

### **Assurance**

On the basis of the assurance provided, we consider the governance and internal control environment operating during 2019/20 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: 16 September 2020

David Thomson  
Assessor & Electoral Registration  
Officer

Date: 16 September 2020

Stephen West  
Treasurer

Date: 16 September 2020

## **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.

## COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

2018/19 Net Expenditure £000	Notes	2019/20 Net Expenditure £000
		<b>Income</b>
(9)		Customer Receipts (11)
		<b>Expenditure</b>
2,792	2	2,446
100		111
41		44
242		250
35		30
125		123
13	2/6/7	14
<b>3,339</b>		<b>3,007</b>
		<b>Net Cost of Service</b>
(2,611)	15	(2,735)
(66)	16	(77)
0	12	(29)
<b>(2,677)</b>		<b>(2,841)</b>
		<b>Other Operating Income</b>
<b>662</b>		<b>166</b>
		<b>Net Operating Expenditure</b>
1		0
93	4	129
		Interest Payable
		Net Interest on the net defined benefit liability/(assets)
<b>94</b>		<b>129</b>
		<b>Finance and Investment Income and Expenditure</b>
<b>756</b>		<b>295</b>
		<b>(Surplus)/Deficit on provision of services</b>
1,332	4	(2,362)
		Remeasurement of the net defined benefit liability/(assets)
<b>1,332</b>		<b>(2,362)</b>
		<b>Other Comprehensive (Income) &amp; Expenditure</b>
<b>2,088</b>		<b>2,067</b>
		<b>Total Comprehensive (Income) &amp; Expenditure</b>

## MOVEMENT IN RESERVES STATEMENT

2019/20

	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	
<b>Opening Balance as at 1 April 2019</b>	552	25	598	35	(5,217)	(16)	(4,023)
<b>Movements in Reserves</b>							
Surplus or (Deficit) on provision of Services	(295)	0	0	0	0	0	(295)
Other Comprehensive Income and Expenditure	0	0	0	0	2,362	0	2,362
<b>Total Comprehensive Income and Expenditure</b>	<b>(295)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,362</b>	<b>0</b>	<b>2,067</b>
<b>Adjustments between accounting basis &amp; Funding Basis</b>							
Depreciation	14	0	(14)	0	0	0	0
Pension Scheme Adjustment	335	0	0	0	(335)	0	0
Net Transfer to or from earmarked reserves required by legislation	7	0	0	0	0	(7)	0
Capital requisitions applied to fund capital expenditure	(29)	29	0	0	0	0	0
Capital requisitions unapplied adjustments between accounting basis and funding basis under regulations	0	(16)	16	0	0	0	0
<b>Total Statutory Adjustments</b>	<b>327</b>	<b>13</b>	<b>2</b>	<b>0</b>	<b>(335)</b>	<b>(7)</b>	<b>0</b>
<b>Increase/Decrease in Year</b>	<b>32</b>	<b>13</b>	<b>2</b>	<b>0</b>	<b>2,027</b>	<b>(7)</b>	<b>2,067</b>
<b>Balance at 31 March 2020</b>	<b>584</b>	<b>38</b>	<b>600</b>	<b>35</b>	<b>(3,190)</b>	<b>(23)</b>	<b>(1,956)</b>
<b>Total Usable</b>		<b>622</b>		<b>Total Unusable</b>		<b>(2,578)</b>	

## MOVEMENT IN RESERVES STATEMENT

**2018/19**

	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	
<b>Opening Balance as at 1 April 2018</b>	551	29	607	35	(3,140)	(17)	(1,935)
<b>Movements in Reserves</b>							
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)
<b>Total Comprehensive Income and Expenditure</b>	<b>(756)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(1,332)</b>	<b>0</b>	<b>(2,088)</b>
<b>Adjustments between accounting basis &amp; funding basis</b>							
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 applied to fund capital expenditure	0	(4)	4	0	0	0	0
<b>Total Statutory Adjustments</b>	<b>757</b>	<b>(4)</b>	<b>(9)</b>	<b>0</b>	<b>(745)</b>	<b>1</b>	<b>0</b>
<b>Increase/Decrease in Year</b>	<b>1</b>	<b>(4)</b>	<b>(9)</b>	<b>0</b>	<b>(2,077)</b>	<b>1</b>	<b>(2,088)</b>
<b>Balance at 31 March 2019</b>	<b>552</b>	<b>25</b>	<b>598</b>	<b>35</b>	<b>(5,217)</b>	<b>(16)</b>	<b>(4,023)</b>
<b>Total Usable</b>		<b>577</b>	<b>Total Unusable</b>			<b>(4,600)</b>	

## BALANCE SHEET AS AT 31 MARCH 2020

31 March 2019 £000	Notes		31 March 2020 £000
633	6	Property, plant and equipment	636
0	7	Intangible Assets	0
<u>633</u>		<b>Total Long Term Assets</b>	<u>636</u>
682	8	Short Term Debtors	711
<u>682</u>		<b>Current Assets</b>	<u>711</u>
(121)	10	Short Term Creditors	(113)
<u>(121)</u>		<b>Current Liabilities</b>	<u>(113)</u>
(5,217)	4	Net Pensions Liability	(3,190)
<u>(5,217)</u>		<b>Long Term Liabilities</b>	<u>(3,190)</u>
<u>(4,023)</u>		<b>Net Assets/(Liabilities)</b>	<u>(1,956)</u>
		<b>Represented by:</b>	
577	11/12	Usable Reserves	622
(4,600)	13	Unusable Reserves	(2,578)
<u>(4,023)</u>		<b>Total Reserves</b>	<u>(1,956)</u>

The unaudited Financial Statements were issued on 19 June 2020 and the audited Annual Accounts were authorised for issued on 16 September 2020.

**Stephen West**  
**Treasurer**  
**16 September 2020**



## CASH FLOW STATEMENT

2018/19 £000		2019/20 £000
	<b>Operating Activities</b>	
(2,677)	Grants	(2,812)
(9)	Sale of goods and rendering of services	(11)
<u>(2,686)</u>	Cash Inflows from Operating Activities	<u>(2,823)</u>
2,141	Cash paid to and on behalf of employees	2,249
540	Other payments for operating activities	587
<u>2,681</u>	Cash Outflows from Operating Activities	<u>2,836</u>
<u>(5)</u>	Net Cash Flows from Operating Activities	<u>13</u>
	<b>Investing Activities</b>	
4	Purchase of Assets	16
0	Other receipts from investing activities	(29)
<u>4</u>	Net Cash Flows from Investing Activities	<u>13</u>
	<b>Financing Activities</b>	
1	Interest Payable	0
<u>1</u>	Net Cash Flows from Financing Activities	<u>0</u>
<u>0</u>	Net (Increase)/Decrease in Cash and Cash Equivalents	<u>0</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>0</u>

## **NOTES TO THE ANNUAL ACCOUNTS**

### **Note 1 - Accounting Policies**

#### **1. General Principles**

The Annual Accounts summarise the Board's transactions for the 2019/20 financial year and its position at the year end of 31 March 2020. 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 2019/20 ("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.

## **NOTES TO THE ANNUAL ACCOUNTS (Cont'd)**

### **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.

### **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.

## **Note 1 - Accounting Policies (Cont'd)**

### **5. Charges to Revenue for non-current assets (Cont'd)**

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.

### **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.

## **Note 1 - Accounting Policies (Cont'd)**

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

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.

#### 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.

## Note 1 - Accounting Policies (Cont'd)

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

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.

#### 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.

## **Note 1 - Accounting Policies (Cont'd)**

### **8. Employee 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 and projection of earnings for current employees),
- 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;

## **Note 1 - Accounting Policies (Cont'd)**

### **Post-Employment Benefits (Cont'd)**

- 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;
- 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.



## **Note 1 - Accounting Policies (Cont'd)**

### **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.

### **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.

### **11. 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.

## Note 1 - Accounting Policies (Cont'd)

### 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.

### 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.

#### 2019/20

	<b>Net Chargeable to the General Fund £000</b>	<b>Adjustments between Funding and Accounting Basis £000</b>	<b>Net Expenditure in the Comprehensive Income and Expenditure Statement £000</b>
Employee Costs	2,233	213	<b>2,446</b>
Depreciation	0	14	<b>14</b>
Capital Income	0	(29)	<b>(29)</b>
Net Interest on the net defined benefit liability/(assets)	0	129	<b>129</b>
<b>Total</b>	<b>2,233</b>	<b>327</b>	<b>2,560</b>

## Note 2 – Expenditure and Funding Analysis (Cont'd)

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
<b>Total</b>	<b>2,141</b>	<b>757</b>	<b>2,898</b>

## Note 3 – Operating Leases

### Board as Lessor

The Board leases out property under operating leases to provide suitable accommodation to Alpha Pets.

The minimum lease payments in future years are:

31 March 2019 £000		31 March 2020 £000
2	Not later than one year	2
0	Later than one year and not later than five years	3
0	Later than five years	0
<u>2</u>		<u>5</u>

### 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 2019 £000		31 March 2020 £000
5	Not later than one year	4
4	Later than one year and not later than five years	4
0	Later than five years	0
<u>9</u>		<u>8</u>

#### **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 2019/20 is set at 23.3% and 2018/19 was 23.3%. In 2019/20, the Board paid an employer's contribution of £0.301m (2018/19 £0.316m).

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 retirals. There was no Severance or Strain on the Fund Payments during financial year 2019/20 (2018/19: £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.

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

2018/19 £000		2019/20 £000
	<b>Net cost of services</b>	
586	Current service cost	687
391	Past service cost (including curtailments)	(171)
<u>977</u>		<u>516</u>
	<b>Financing and investment Income and Expenditure</b>	
93	Net Interest	129
<u>93</u>		<u>129</u>
<b>1,070</b>	<b>Total post-employment benefit charged to the Surplus or Deficit on the provision of Services</b>	<b>645</b>
(687)	Return on plan assets	(1,485)
	Actuarial gains and losses arising on changes in financial	
2,018	Assumptions	(2,763)
0	Changes in demographic assumptions	(967)
1	Actuarial gains and losses arising on experience assumptions	(117)
<u>2,402</u>	<b>Total post-employment benefit charged to the comprehensive income and expenditure statement</b>	<u>(4,687)</u>
	<b>Movement in Reserves Statement</b>	
(1,070)	Reversal of net charges made to surplus of deficit for post-employment benefits	(645)
	<b>Actual amount charged against the General Fund balance in the year</b>	
<u>325</u>	Employer contributions payable to Scheme	<u>301</u>

The underlying assets and liabilities for retirement benefits attributable to the Board as at 31 March 2020 are as follows:

	2018/19 £000	2019/20 £000
Fair value of plan assets	22,409	21,366
Present Value of defined benefit obligations	(27,382)	(24,345)
<b>Net (liabilities)/assets in the Strathclyde Pension Fund</b>	<u>(4,973)</u>	<u>(2,979)</u>
<u>Present Value of Unfunded Liabilities</u>	(244)	(211)
Pre Local Government Reorganisation		
<b>Net pension asset/(liability)</b>	<u>(5,217)</u>	<u>(3,190)</u>

For the Strathclyde Local Government Pension Scheme at 31 March 2020 the Board has a net liability £2.979m and for the unfunded liabilities a net liability of £0.211m. The Board's net liability of £3.190m at 31 March 2020 reflects the future obligations to fund retirement benefits. This represents a decrease in the net liability of £2.027m compared to the position at 31 March 2019.

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 (4.2%) as at 31/03/20, this is a decrease from 5.9% as at 31/03/19.

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.

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

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

<b>2018/19</b>		<b>2019/20</b>
<b>£000</b>		<b>£000</b>
24,361	Opening balance	27,626
586	Current service cost	687
391	Past service cost (including curtailments)	(171)
665	Interest cost	666
97	Contributions by Members	102
2,018	Actuarial gains/losses in financial assumptions	(2,763)
1	Other Experience	(117)
(9)	Estimated unfunded benefits paid	(9)
(484)	Estimated benefits paid	(498)
0	Changes in demographic assumptions	(967)
<b>27,626</b>		<b>24,556</b>

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

<b>2018/19</b>		<b>2019/20</b>
<b>£000</b>		<b>£000</b>
21,221	Opening balance	22,409
687	Expected return on assets	(1,485)
572	Interest Income	537
97	Contributions by Members	102
316	Contributions by employer	301
9	Contributions in respect of unfunded benefits	9
(9)	Estimated unfunded benefits paid	(9)
(484)	Estimated benefit paid	(498)
<b>22,409</b>		<b>21,366</b>

The Valuation Joint Board's share of the pension funds asset at 31 March 2020 comprised:

Asset Category	31 March 2020			31 March 2019		
	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	4,929	13	<b>4,942</b>	5,169	14	<b>5,183</b>
Debt Securities	670	0	<b>670</b>	703	0	<b>703</b>
Private Equity	0	2,553	<b>2,553</b>	0	2,678	<b>2,678</b>
Real Estate	0	1,934	<b>1,934</b>	0	2,029	<b>2,029</b>
Investment funds and unit trusts	7,014	2,093	<b>9,107</b>	7,356	2,194	<b>9,550</b>
Derivatives	0	0	<b>0</b>	0	0	<b>0</b>
Cash and Cash Equivalent	1,100	1,060	<b>2,160</b>	1,154	1,112	<b>2,266</b>
<b>Totals</b>	<b>13,713</b>	<b>7,653</b>	<b>21,366</b>	<b>14,382</b>	<b>8,027</b>	<b>22,409</b>

## Note 4 – Defined Benefit Pension Schemes (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:

	<b>31 March 2020</b>
Expected rate of return	(4.2%)
Inflation/pension increase rate	1.9%
Salary increase rate	3.0%
Discount rate	2.3%

### Mortality

Life expectancy is based on the Funds VitaCurves with improvements in line with the CMI 2018 model with an allowance for smoothing of recent mortality experience and long term rates of 1.5% p.a. for males and 1.25% for females. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	<b>Males</b>	<b>Females</b>
Current pensioners	20.7 years	22.9 years
Future Pensioners	22.2 years	24.6 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:

	<b>Approximate % increase to Employer Liability</b>	<b>Approximate monetary Amount (£000)</b>
Rate for discounting fund liabilities (0.5% decrease)	10%	2,532
Rate of salary increase (0.5% increase)	2%	558
Rate of pension increase (0.5% increase)	8%	1,924

The total employer contributions expected to be made to the Local Government Pension Scheme for 2020/21 is £352,000.

## Note 5 – External Audit Costs

In 2019/20 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:

2018/19 £000		2019/20 £000
7	Fees payable for external audit services	7
<u>7</u>		<u>7</u>

## Note 6 – Property, Plant and Equipment

Movements in costs or values	Land & Buildings £000	Plant & Equipment £000	Total £000
<b>1 April 2018</b>	<b>621</b>	<b>142</b>	<b>763</b>
Additions	0	4	4
<b>31 March 2019</b>	<b>621</b>	<b>146</b>	<b>767</b>
Additions	0	16	16
<b>31 March 2020</b>	<b>621</b>	<b>162</b>	<b>783</b>
<b>Movements in depreciation and impairment</b>			
<b>1 April 2018</b>	<b>(8)</b>	<b>(118)</b>	<b>(126)</b>
Depreciation charge	(3)	(5)	(8)
<b>31 March 2019</b>	<b>(11)</b>	<b>(123)</b>	<b>(134)</b>
Depreciation charge	(3)	(10)	(13)
<b>31 March 2020</b>	<b>(14)</b>	<b>(133)</b>	<b>(147)</b>
<b>Net Book Value</b>			
At 31 March 2019	<b>610</b>	<b>23</b>	<b>633</b>
At 31 March 2020	<b>607</b>	<b>29</b>	<b>636</b>

## 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



## Note 7 – Intangible Assets (Cont'd)

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

2018/19		2019/20
£000		£000
	<b>Balance at start of year:</b>	
9	Gross carrying amount	9
(5)	Accumulated amortisation	(9)
<u>4</u>	<b>Net carrying amount at start of year</b>	<u>0</u>
(2)	Amortisation for the period	0
2	Amortisation Written Out	0
<u>0</u>	<b>Net carrying amount at end of year</b>	<u>0</u>
	<b>Comprising:</b>	
9	Gross carrying amounts	0
(9)	Accumulated amortisation	0
<u>0</u>		<u>0</u>

## Note 8 – Debtors

2018/19		2019/20
£000		£000
9	Other Entities and Individuals	8
673	Other Local Authorities	703
<u>682</u>		<u>711</u>

## Note 9 – Cash and Cash Equivalents

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

2018/19		2019/20
£000		£000
0	Imprest	0
<u>0</u>		<u>0</u>

## Note 10 – Creditors

2018/19		2019/20
£000		£000
6	Central Government Bodies	18
100	Other Entities and Individuals	80
15	Other Local Authorities	15
<u>121</u>		<u>113</u>

## 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.

	<b>£000</b>
<b>Opening Balance at 1 April 2019</b>	<b>552</b>
Revenue Gains/(Losses) on the fund	32
<b>Closing Balance at 31 March 2020</b>	<b>584</b>
<b>Earmarked Balances:-</b>	
2020/21 Budget	(153)
ICT Consultancy (Civil Penalties)	(5)
<b>Total Earmarked Balance</b>	<b>(158)</b>
<b>Total General Reserves (incl. £0.100m prudential reserve)</b>	<b>426</b>

## 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.

<b>2018/19</b>	<b>2019/20</b>
<b>£000</b>	<b>£000</b>
0 Contributions from Authorities	29
29 Unapplied Capital contributions b/forward	25
<b>Capital expenditure incurred during the year:</b>	
(4) Upgrade PC's	(6)
0 Servers	(10)
<b>25 Unapplied Capital contributions c/forward</b>	<b>38</b>

## Note 13 – Unusable Reserves

<b>2018/19</b>	<b>2019/20</b>
<b>£000</b>	<b>£000</b>
598 Capital Adjustment Account	600
35 Revaluation Reserve	35
(5,217) Pension Reserve	(3,190)
(16) Statutory Mitigation Account	(23)
<b>(4,600) Total Unusable Reserves</b>	<b>(2,578)</b>

## **Note 13 – Unusable Reserves (Cont'd)**

### **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 require 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.

### Note 13 – Unusable Reserves (Cont'd)

#### Capital Requisition Unapplied Account

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

### Note 14 – Contingent Assets & Liabilities

The Board has not identified any Contingent Assets and Liabilities.

### Note 15 – Contributions from Authorities

Revenue 2018/19		Revenue 2019/20	
£000		£000	
1,281	Argyll & Bute Council	1,363	
642	East Dunbartonshire Council	663	
688	West Dunbartonshire Council	709	
<u>2,611</u>		<u>2,735</u>	

### Note 16 – Government Grants

The Board received a total of £77,380 of government grants in 19/20 to continue with the delivery of Individual Electoral Registration.

2018/19		2019/20	
£000		£000	
<u>66</u>	Cabinet Office	<u>77</u>	
<b>66</b>		<b>77</b>	

### 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 the 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 the Dunbartonshire and Argyll & Bute Valuation Joint Board for the year ended 31 March 2020 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, Cashflow Statement and Notes to the Annual Accounts, 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 2019/20 (the 2019/20 Code).

In my opinion the accompanying financial statements:

- give a true and fair view in accordance with applicable law and the 2019/20 Code of the state of affairs of the Dunbartonshire and Argyll & Bute Valuation Joint Board as at 31 March 2020 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 2019/20 Code; and
- have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.

#### **Basis for opinion**

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the Code of Audit Practice approved by the Accounts Commission for Scotland. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I was appointed under arrangements approved by the Accounts Commission on 10 May 2019. The period of total uninterrupted appointment is two years. I am independent of the Dunbartonshire and Argyll & Bute Valuation Joint Board in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the Dunbartonshire and Argyll & Bute Valuation Joint Board. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

## **Conclusions relating to going concern basis of accounting**

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

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

As explained more fully in the Statement of Responsibilities, the Treasurer is responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the Treasurer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Treasurer is responsible for assessing the Dunbartonshire and Argyll & Bute Valuation Joint Boards 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 Valuation Joint Board is responsible for overseeing the financial reporting process.

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

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

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my auditor's report.

### **Other information in the annual accounts**

The Treasurer and Assessor 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  
4<sup>th</sup> floor  
8 Nelson Mandela Place  
Glasgow  
G2 1BT

16 September 2020



**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD****Report by Treasurer****Valuation Joint Board – 16 September 2020**

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**Subject: Revenue & Capital Budgetary Control Report to 31 August 2020  
(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 2020/21.

**2. Background****2.1 Revenue**

The Joint Board on 6 March 2020, agreed the revenue estimates for 2020/21. A total net budget of £2.957m was approved, funded from constituent contributions of £2.611m (including £0.193m for costs associated with the implementation of actions from the Barclay Review) and reserves of £0.153m.

**2.3 Capital**

The Joint Board on 6 March 2020, agreed the 2020/21 Capital Plan of £0.012m from constituent contributions and unapplied capital resources. Following the 2019/20 year-end capital expenditure of £0.038m was brought-forward into 2020/21, resulting in an overall capital budget of £0.050m.

**3. Main Issue****3.1 Revenue**

Appendix 1 to this report highlights a favourable projected year end variance of £0.102m, whilst Appendix 2 provides information on the main variances.

- 3.2 The present projected outturns do not take into account issues arising from the contingency planning for the Scottish Parliamentary Election (SPE) in May 2021. The Scottish Parliamentary Election Resilience and Contingency Planning Report is submitted as a separate agenda item.

- 3.3 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 2021 and could affect the year end results particular in light of covid.

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

**3.5 Capital**

Appendix 3 highlights projected spend on the programme is in line with the budget.

#### 4. Conclusion and Recommendation

##### 4.1 Members are asked to:

- i) Note the favourable revenue variance of £0.102m (3% of the total budget); and
- ii) Note the 2020/21 budgetary position of the capital account;

*Stephen West*

.....  
**Stephen West**  
**Treasurer**  
**Date: 16 September 2020**

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**Person to Contact:** Joanne Thomson, Accountant  
West Dunbartonshire Council  
Telephone (01389) 737875

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

DUNBARTONSHIRE & ARGYLL & BUTE VALUATION JOINT BOARD  
REVENUE BUDGETARY CONTROL 2020/2021

MONTH END DATE **31 August 2020**

PERIOD **5**

ESTIMATE 2020/21	DESCRIPTION	SPEND TO DATE	FORECAST SPEND 2020/21	FORECAST VARIANCE	Variance %	STATUS
£ 2,401,758	EMPLOYEE COSTS	£ 854,297	£ 2,332,781	£ (68,977)	-3%	Favourable
111,105	PROPERTY COSTS	15,501	107,233	(3,872)	-3%	Favourable
23,796	SUPPLIES & SERVICES	10,555	26,546	2,750	12%	Adverse
7,540	PAYMENT TO OTHER BODIES	0	7,540	0	0%	Nil Variance
365,664	ADMINISTRATION COSTS	81,938	378,572	12,908	4%	Adverse
54,935	OTHER EXPENDITURE	11,313	55,541	606	1%	Adverse
<b>2,964,798</b>	<b>GROSS EXPENDITURE</b>	<b>973,604</b>	<b>2,908,213</b>	<b>(56,586)</b>	<b>-2%</b>	<b>Favourable</b>
<b>7,000</b>	<b>GROSS INCOME</b>	<b>1,088</b>	<b>52,717</b>	<b>(45,717)</b>	<b>653%</b>	<b>Favourable</b>
<b>2,957,798</b>	<b>NET EXPENDITURE</b>	<b>972,516</b>	<b>2,855,496</b>	<b>(102,303)</b>	<b>-3%</b>	<b>Favourable</b>
153,427	BALANCES USED					
2,957,798	AUTHORITIES CONTRIBUTIONS					

<b>UNDERSPEND</b>	<b>(102,303)</b>	<b>-3%</b>
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## REVENUE BUDGETARY CONTROL 2020/2021

## ANALYSIS FOR VARIANCES

MONTH END DATE

31 August 2020

PERIOD

5

Budget Details							
Budget Area	Budget	Spend to Date	% Spend to Date of Total Budget	Forecast Spend	Forecast Variance		Status
	£	£	%	£	£	%	
<b>EMPLOYEE COSTS</b>	2,401,758	854,297	36%	2,332,781	(68,977)	-3%	↑
<b>Main Issues</b>	The favourable variance is mainly due to vacancies and a delay in filling vacancies, partly arising from inability to attract appropriate candidates.						
<b>Mitigating Action</b>	Recruitment to various posts is ongoing.						
<b>Anticipated Outcome</b>	It is likely this budget will underspend by the year end.						
<b>ADMINISTRATION COSTS</b>	365,664	81,938	22%	378,572	12,908	4%	↑
<b>Main Issues</b>	The overspend is due to Electoral Support System costs being higher than anticipated. This overspend will be offset by equivalent income from Scottish Government						
<b>Mitigating Action</b>	Officers will ensure that Government income is received						
<b>Anticipated Outcome</b>	The projected overspend in this budget is matched by an increase in income resulting in no net effect						
<b>GROSS INCOME</b>	7,000	1,088	16%	52,717	(45,717)	-653%	↑
<b>Variance Narrative</b>							
<b>Main Issues</b>	At the time of budget setting there was no expectation of further funding from the Cabinet Office. However in June 2020 the Cabinet Office confirmed funding will be available for IER. Scottish Government will also provide grant to offset the costs of Electoral Support System development.						
<b>Mitigating Action</b>	Officers will continue to monitor the budget.						
<b>Anticipated Outcome</b>	It is anticipated that the favourable variance will continue.						

MONTH END DATE

31 August 2020

PERIOD

5

ORIGINAL 2020/21 BUDGET	2019/20 YEAR END SLIPPAGE	REVISED 2020/21 BUDGET	DESCRIPTION	SPEND TO DATE	FORECAST SPEND	FORECAST VARIANCE	Variance %	STATUS
£ 0	£ 10,265	£ 10,265	PLANNED UPGRADE OF SERVERS	£ 0	£ 10,265	£ 0	0	Nil Variance
0	11,000	11,000	FLEXI SYSTEM	0	11,000	0	0	Nil Variance
0	3,262	3,262	EROs DR SERVER	0	3,262	0	0	Nil Variance
0	13,000	13,000	EROs SERVER REPLACEMENT	0	13,000	0	0	Nil Variance
3,800	0	3,800	PC LAPTOP REFRESH (NDR REFORM)	4,642	4,642	842	0	Adverse
4,900	0	4,900	NETWORK UPGRADE - CLYDEBANK	0	4,900	0	0	Nil Variance
3,800	0	3,800	NDR REFORM COSTS	844	2,958	(842)	(0)	Favourable
0	0	0	UNEARMARKED BALANCES	0	0	0	0	Nil Variance
<b>12,500</b>	<b>37,527</b>	<b>50,027</b>	<b>GROSS EXPENDITURE</b>	<b>5,486</b>	<b>50,027</b>	<b>0</b>	<b>0</b>	<b>Nil Variance</b>
0	(37,527)	(37,527)	UNAPPLIED CAPITAL RECEIPTS CARRIED FORWARD	0	(37,527)	0	0	Nil Variance
(12,500)	0	(12,500)	AGREED LEVEL OF CONSTITUENT CONTRIBUTIONS	(5,486)	(12,500)	0	0	Nil Variance
<b>(12,500)</b>	<b>(37,527)</b>	<b>(50,027)</b>	<b>GROSS INCOME</b>	<b>(5,486)</b>	<b>(50,027)</b>	<b>0</b>	<b>0</b>	<b>Nil Variance</b>
<b>0</b>	<b>0</b>	<b>0</b>	<b>PROJECTED FREE CAPITAL RECEIPTS CARRIED FORWARD</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>Nil Variance</b>



**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD**

Report by Assessor &amp; Electoral Registration Officer

Valuation Joint Board –16 September 2020

---

**Subject: Non-Domestic Rating and Council Tax Valuation Update****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 advise the Joint Board of on-going activities to implement the Non-Domestic Rating (Scotland) Act and the recommendations of the 'Barclay' Review.
- 1.4 To advise members of the preparations being made for the next Revaluation of non-domestic property and of the proposed postponement of that Revaluation from 2022 until 2023.
- 1.5 To advise members of the Joint Board of progress in relation to the Assessor's Council Tax valuation function.
- 1.6 To advise members on the effects of the Covid-19 outbreak and the related government restrictions on NDR and Council Tax functions.

**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 Consequent to the Revaluation, 3,569 appeals against 3,460 subjects with a total rateable value of £252,557,705 were received by the statutory deadline of 31 December 2020.
- 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, or any change which is claimed to be 'material' to the property value, may be appealed by relevant parties.
- 2.5 In response to the pandemic, 2,415 appeals were received in March, with disposal dates for these appeals being in March 2021.

- 2.6 In June 2020 it was reported to the Board that The Non-Domestic Rating (Scotland) Bill received assent on 11 March 2020 and parts of it were brought into force on 1 and 2 April 2020. Secondary legislation will be required to commence other parts of the Act.
- 2.7 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.
- 2.8 It was reported to the June Board meeting that, although our offices were closed, the majority of valuation staff have home working facilities and have been continuing to provide NDR and CT maintenance functions, albeit at a reduced capacity. Survey and inspection work was, at that time, impossible and that was restricting our ability to maintain full service function.
- 2.8 The government's support for businesses affected by the Covid-19 outbreak is provided through a grants system which is based on the rateable value of the relevant property. This has resulted in a stream of enquiries.

### **3.0 Current Position**

#### **3.1 Non-Domestic Rating Valuation**

##### **3.1.1 2017 Revaluation cycle Appeals**

All Valuation Appeal Committee hearings for the period April to June were cancelled by the relevant Secretary/Assistant Secretary and this, along with the unavailability of some appellants' agents who were 'furloughed' or made redundant, has resulted in a significant slow down in the progress of Revaluation appeals.

Notwithstanding the comments above, disposal of Revaluation appeals has progressed and by the end of August 3,215 Revaluation appeals, representing 90% of those submitted, had been disposed of.

Of those that remain outstanding and prior to the statutory date of 30 June, applications were made, by either or both parties, to the local Valuation Appeal Committees to refer 114 appeals to the Lands Tribunal for Scotland (LTS). To date, 88 appeals have been referred and 26 have been refused. One such refusal has subsequently been appealed to the LTS

Since the start of the current financial year 128 'running roll' appeals have been disposed of and, at the end of August, 2,807 remained outstanding.

On 26 August 2020, and largely in response to the interruptions caused by Covid and the additional appeal workload arising from the outbreak, the Scottish Government announced that the disposal date for both Revaluation appeals and those 'running roll' appeals submitted up to March 2020 would be extended to 31 December 2021.



Efforts to progress the disposal of Revaluation appeals in accordance with current VAC Hearing schedules will continue locally, though it is not yet clear when VACs Hearings will recommence. Consideration of the 'Covid' running roll appeals will be taken forward at both local and national level.

### 3.1.2 2005 and 2010 Revaluation Cycle Appeals

No progress has been made in respect of these appeals, which are all lodged at the LTS, since the last report to the Board in June.

### 3.1.3 Maintenance of the Valuation Roll ('Running Roll')

Since the start of the financial year, 397 changes have been made to the valuation roll to reflect, new entries (269), deletions (75) and other changes (53).

### 3.1.4 Non-Domestic Rating (Scotland) Act

The new powers to require information from ratepayers, and others, came into effect on 1 April along with powers to serve Civil Penalty Notices for failure to supply the requested information. The government has still not, however, brought forward the secondary legislation which is required to practically implement the Civil Penalty appeals process, so we have been unable to use the new powers. In the meantime, an ICT systems development project is under way to facilitate the collection of penalties through West Dunbartonshire Council's finance systems.

Further secondary legislation will be required to provide the detail around other provisions within the Act. The possible delay to the 2022 Revaluation (see below) does introduce some uncertainty as to when the provisions of the Act will be implemented.

Significant progress has been made towards the provision of valuation details at the Scottish Assessors web portal for a much wider range of subjects than is currently the case.

### 3.1.5 2022 Revaluation

The valuation date for the scheduled 2022 Revaluation was 1 April 2020 and planning for that Revaluation has been ongoing for some time.

The first stage of any Revaluation involves a general ingather of rental and other information but that has been significantly hampered by the inability to use our new information gathering powers (as above). The result is that the preparations for Revaluation 2022 are behind schedule both locally and nationally.

In the Scottish Government's 'Programme for Government', announced in Parliament on 1 September 2020, however, the Government indicated that

"The next non domestic rates revaluation in Scotland will take effect in 2023, the same year as in England and Wales, but will be based on rental values as at 1 April 2022, and not 1 April 2020. This will mean that properties' rateable values will better reflect true market conditions, taking

into account any COVID-19 effects, and delivers our commitment to move to revaluations with a one year tone date two years ahead of schedule”.

Despite this very recent statement of intention, the change to the Revaluation date has not been passed by Parliament and, until it is enacted, we will remain in something of a hiatus. Should the Revaluation not be delayed, our ability to deliver in 2022 will have been very much compromised.

### 3.2 Council Tax Valuation

#### 3.2.1 Maintenance of the Council Tax Valuation Lists

Since 1 April 2020, 234 dwellings have been added to the List and 198 have been deleted.

#### 3.2.2 Council Tax Proposals and Appeals

At the start of April, 217 proposals and appeals were outstanding. Since then 95 new proposals have been received and 26 disposed of, leaving 286 outstanding at the end of August.

### 3.3 Survey and Inspection

It is clear that some aspects of our Non-domestic Rating and Council Tax functions are still being hampered by the cessation of survey and inspection work. In advance of recommencing such operations, survey/inspection protocols and rules have been drafted based on a combination of guidelines from the Royal Institution of Chartered Surveyors and the Scottish Assessors Association. The protocols have been reviewed by staff and the union representative and there were no objections expressed. Subject to the implementation of some practical measures, it is planned that survey, as ‘a method of last resort’, can recommence in the near future.

## 4.0 **Recommendations**

### 4.1 Members are asked to note:-

- (a) The progress in relation to disposal of Non-Domestic Rating appeals and the change to the appeal disposal timetables,
- (b) Progress in relation general maintenance of the Valuation Roll,
- (c) Progress and planning which is ongoing to effect the Non-Domestic Rating (Scotland) Act and the recommendations of the ‘Barclay’ Review,
- (d) That preparations for a Revaluation in 2022 have been hampered by external factors and that it is now the Government’s intention that the Revaluation will be delayed until 2023,
- (e) Progress in relation general maintenance of the Council Tax List.

/over

(f) Progress in relation to the disposal of Council Tax proposals and appeals,  
and

(g) To note the effect of the COVID-19 outbreak on the valuation activities and  
the efforts being made to ensure continued or restarted service provision.

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Person to contact:

David Thomson (Assessor and ERO)

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**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD**

Report by Assessor &amp; Electoral Registration Officer

Valuation Joint Board – 16 September 2020

---

**Subject: Electoral Registration Progress****1.0 Purpose**

To provide the members of the Joint Board with an update on the current position in relation to Electoral Registration including the effect of lockdown restrictions created by the Covid-19 pandemic.

**2.0 Background**

The report provided to the Joint Board at the last meeting on 19 June 2020 referred to staff remote working, Electoral Registration Processes during lockdown, IER funding, Print & Mail Services, Preparation for 2020 Canvass Reform and Scottish Elections Franchise & Reform Bills.

**3.0 Current Position****3.1 Staff Remote Working**

Home working remains the default position for all those who have that facility.

Some staff, who cannot currently work from home, returned to the office on Monday 3 August to enable us to carry out our duty to conduct the annual canvass. Opening, scanning & processing returned forms and answering phone calls from the public are their main duties which cannot be done remotely.

The relevant personal hygiene and cleaning materials have been purchased. Safety advice posters are being displayed and social distancing measures are in place. Those staff returning received Health & Safety guidance in connection with Covid-19.

**3.2 IER Funding 2020/21**

Although no IER funding was expected, or budgeted for in 2020/21, an allocation of IER funding of £14,965 has been made, recognising that it is unlikely that full cost savings of the reformed canvass will be achieved in the first year. The funding process will allow an opportunity to submit an evidence based, 'Justification Led Bid' for additional funding in due course, though it is unlikely that such a bid will be justifiable.

**3.3 Register Updates/Rolling Registration**

Since the last report the monthly updates to the Register have resulted in a total of 1,548 additions and 1,641 deletions.

Since publication in December 2019, 3,230 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.

For the first time, we will produce monthly updates in October and November.

#### 4.0 Canvass 2020 & Canvass Reform

National data match testing, to the Department of Work & Pensions database, took place on Tuesday 7<sup>th</sup> July 2020. We received our results on Thursday 9<sup>th</sup> July.

The match results are based on individual elector matches – see below

Number of electors uploaded	221,401
Successfully uploaded	221,399
Unsuccessful upload	2*
Matched (Green)	185,180
Unmatched (red)	36,219

\* These 2 individuals had characters in their names which were not valid for the matching criteria so were automatically sent down route 2 (see explanation below on route allocation).

Local data matching against council tax records then also took place. As empty properties cannot be sent for checking to DWP we used empty property relief to identify properties which could be matched green. Occupied properties were also matched to establish if any of those red matched at DWP could be ‘turned green’ and could, therefore, be sent down route 1 of the process.

After all matching was complete our electoral management system aggregated the elector match results to create property level match results and allocated them to the relevant canvass routes.

On 3 August 2020, 114,980 properties that produced a green match were sent a ‘Canvass Communication A’ form (“Route 1”), which requires no action on the part of the electors if the details of the registered electors are, indeed, correct. If the household requires to make a change they can still do so. No further follow-up action is required by the ERO.

Those 25,918 properties which were a red match were sent a Canvass Form (‘Route 2’), also on 3 August 2020. If no response is received we are required to send a further postal Canvass Form or attempt to make contact using the telephone canvass option. At first reminder stage we issued 16,451 forms and identified 1,212 that would be contacted by telephone. A door knock process using canvassers will, subject to any change to the COVID-19 situation, also be undertaken in October 2020.

There is a third route (‘Route 3’) which is for properties where we have identified a single responsible person, namely establishments such as care homes for the elderly and homes for young people. Legislation allows contact with these 85 properties by telephone in the first instance. If no response is received then these will be transferred to ‘Route 2’ and will receive a postal Canvass Form.

## **5.0 Scottish Elections Franchise & Reform Bills**

As has been reported previously, changes to the franchise have been effected to allow foreign national residents and some prisoners to be included in the electoral register for Local Government and Scottish Parliamentary elections.

All EROs in Scotland agreed that a leaflet should be included with their initial issue of Canvass Forms and Canvass Communication A to highlight the fact that the law has changed and anyone aged 16 or over and living in Scotland will now be eligible to register to vote (if they meet the criteria).

Staff have received training and guidance on dealing with queries and applications from foreign nationals.

We have currently not received any applications from prisoners serving sentences of 12 months or less.

## **6.0 2021 Scottish Parliamentary Elections**

The Scottish Government and the Electoral Management Board for Scotland have commenced planning for the May 2021 Scottish Parliamentary Election and, in particular, for the potential effect that the COVID-19 situation might have on both the poll and the preparations for it. Significant resilience and contingency planning is expected and this is likely to have resource implications for the Joint Board.

For example, it is expected that the number of electors requesting postal votes will increase significantly in the run up to the elections in May 2021 and information to inform scenario and resource planning has been provided to Scottish Government.

A more detailed report on this issue, and its effects is presented separately to the Joint Board meeting, today.

## **7.0 Recommendation**

Members are asked to note the content of this report.

---

Person to contact:  
Rosemary Nelson (Principal Administration Officer)  
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**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD**

Report by Assessor &amp; Electoral Registration Officer

Valuation Joint Board – 16 September 2020

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**Subject: Scottish Parliamentary Election – Resilience and Contingency Planning****1.0 Purpose**

- (a) To advise the members of the Joint Board of the planning which is ongoing in relation to the May 2021 Scottish Parliamentary Election (SPE) and, in particular, the steps to be taken to mitigate any potential effect created by the Covid-19 pandemic,
- (b) To advise of the potential effect on the Joint Board's resources of the probable actions and outcomes, and
- (c) To ensure that an appropriate process for future decision making in relation to the Election is in place.

**2.0 Background**

- 2.1 Elections to the Scottish Parliament are scheduled to take place on 6 May 2021 and the government has confirmed that they expect the election to take place as scheduled.
- 2.2 Given that there may be further waves of Covid-19 outbreaks or restrictions applied in response to local spikes into the future, the Government is keen to ensure that all necessary steps are taken to ensure the smooth and safe running of the election.
- 2.3 The period before any election is normally a very busy period for EROs as members of the public make applications to be included in the register and for postal and proxy votes. Additionally, the issue of poll cards triggers a surge in enquiries regarding polling places etc. The timetable for elections, including the provision of absent voter lists to ROs to allow the making up of absent voter packs, already places a significant amount of pressure on EROs' staff, especially around a number of 'pinch points' but national lobbying for changes to the timetable have not been successful.
- 2.4 The Scottish Government has established a programme of works, through the Electoral Management Board (EMB) for Scotland to initiate and implement resilience and contingency planning to minimise any potential threat to the preparation for, and running of, the election.
- 2.5 In May 2020, the EMB presented a detailed Briefing Paper for Scottish Ministers which identified a series of risks faced by the Scottish Parliament Election next year and offered options for actions to mitigate those risks. Ministers agreed its conclusions and recommendations and planning discussions between EMB and Scottish Ministers are ongoing.
- 2.6 In particular, Ministers recognised there will be resource implications for both EROs and Returning Officers (ROs).

- 2.7 There has been a general acceptance/expectation that, on top of the usual increase in registration activity in advance of a poll, there could be a significant increase in applications for postal and/or proxy votes in the period leading up to the election. The processing of applications for postal and proxy applications includes checks aimed at maintaining the integrity of the absent voting system. Each application therefore take a finite time.
- 2.8 Further, the categories of people that can apply for an emergency proxy for Local Government by-elections have been extended to include individuals who cannot vote in person because they are following Scottish Government or medical advice by shielding or self-isolating, and only become aware of the need to shield or self-isolate less than 6 days before polling day. The emergency proxy requirements for this category of voter have been relaxed to remove any need to have applications attested by an independent person. It is understood that similar provisions are being considered in respect of the forthcoming Scottish Parliamentary Election.

### 3.0 Issues

- 3.1 Currently the registers for the Valuation Joint Board area contain 216,350 electors including 34,000 absent voters.
- 3.2 It is fully expected that there will be a surge in absent vote applications in advance of the SPE in May 2021. In July 2020, the Government asked the Electoral Commission to carry out research into the attitudes of electors to ways of voting at the 2021 poll.
- 3.3 The Commission's findings, which were published in late August, are to be treated as a snapshot of attitudes and not necessarily a prediction of future behaviours. Notwithstanding that caveat, the Commission reported that, if an election were to be held in August 2020, 38% of electors would prefer to vote by post and 1% would prefer to vote by proxy. This would result in over 50,000 additional absent vote applications being made in advance of the election. The Commission also reported that 50% of people said that they would definitely or probably apply for a postal vote if they were encouraged to do so for the Scottish Parliament. This scenario could result in over 108,000 applications being received.
- 3.4 The above potential increases in applications would constitute an enormous increase in workload – one which could not be achieved with current resources or within current budgets.
- 3.5 The point at 3.4 is illustrated by the fact that there was a net increase of 13,884 absent voters in the 6 months before the Scottish Independence Referendum in 2014. The additional, exceptional, cost of preparing for that event was £29,877 (see below for detail), albeit this also covered other aspects of the administration of that event.

Description	Exceptional Expenditure
Staff Overtime	£13,216*
Printing and Stationery	£2,665
Postages	£13,976
<b>Total</b>	<b>£29,877</b>

\* equates to £15,025 at 2020/21 salary levels

- 3.6 During a recent scenario setting exercise to inform the Government's planning, we projected that we could, at a maximum, process 24,000 absent voter applications in the month prior to the election but this assumed employing additional temporary staff (cost £34,000), implementing overtime for existing staff (£15,000) and the purchase of additional ICT hardware, scanners and licences (up to £10,000). The exercise did not consider the additional costs of printing, stationery and postage. Whilst these additional costs will be incurred over the 2020/21 and 2021/22 financial years, no provision was made for this level of additional work when setting the budget for 2020/21.
- 3.7 The change to the requirements for emergency proxies for Local Government By-Elections is very recent and it is not certain that identical provisions will apply to the SPE. No reasonable estimate can, therefore, be made of the potential impacts at this time. It is to be noted, however, that, at current levels of testing for Covid-19, there is the potential for thousands of electors to seek emergency proxies in the 6 days before the poll, though this rise could be offset by the switch to absent voting predicted above. Such volumes are far in excess of anything we have ever dealt with in the past and will require new processes to be implemented between the ERO, the RO and the polling places.
- 3.8 It is also possible that our staffing resource or access to offices could be adversely affected by Covid -19 in the run up to the election so we will need to implement practices which minimise those risks and be able to react to any significant loss of staff through self-isolation or sickness absence. This may include the expansion of home working for clerical and administrative staff.

#### **4.0 Conclusion and Recommendations**

- 4.1 It can reasonably be concluded from the above that expenditure beyond that which has been approved by the Joint Board will be required during 2020/21. National planning is at a stage, however, where no figure can reasonably be estimated at this time.
- 4.2 Scottish Government has recognised that the need to build resilience and contingency into the plans being made for the election will demand additional resource but no firm commitment has, as yet, been made to fund the exceptional costs.
- 4.3 In light of the 4.1 and 4.2 above, it is not yet possible for the ERO to make any firm recommendation on additional expenditure or seek approval for any definitive actions from Members.
- 4.4 In normal circumstances the Joint Board would not meet between the September and February/March the following year which would be too late to allow any resilience plans to be implemented.
- 4.5 It is therefore recommended that:-
- (a) the Joint Board agrees to the principle of holding an additional meeting in the interim period, at a time to be agreed following consultation between the Convenor, the ERO and the Treasurer.

- (b) the ERO should, following consultation with the Treasurer, present revised resource and expenditure proposals for 2020/21 for Joint Board approval.
  - (c) should the Scottish Government commit to funding exceptional expenditure in respect of the election, the ERO would use normal delegated powers to make such expenditure subject to fully reporting to the Joint Board in due course. In such circumstances, no additional meeting would be necessary.
  - (d) the Joint Board considers the appropriateness of writing to the Scottish Government to seek assurance that any exceptional costs arising from the impact of, and resilience/contingency actions for, Covid-19 on the preparations for the Scottish Parliamentary Election will be fully funded by Scottish Government.
- 

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**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD**

Report by Assessor & Electoral Registration Officer

Valuation Joint Board – 16 September 2020

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**Subject: Corona Virus/COVID-19 Outbreak Update**

**1.0 Purpose of Report**

- 1.1 To update members of the effect of the outbreak of Corona Virus/COVID-19, and the Government restrictions introduced to deal with the outbreak, on the functions and services of the Valuation Joint Board.
- 1.2 To advise members of the steps and actions taken to mitigate the above effects and to emerge from 'lockdown'.

**2.0 Background**

- 2.1 Since 23 March 2020, the offices of the Joint Board have, in effect, been closed in line with government restrictions to deal with the COVID-19 pandemic.
- 2.2 The report to the Joint Board on 19 June 2020 reported that:
  - (a) The majority of staff were working from home.
  - (b) Key functions had been amended or digitised to allow us to deliver on statutory requirements using home working only.
  - (c) A COVID-19 Risk Register had been produced and a range of mitigating actions taken, and
  - (d) Several areas of function, including some back-office processes, were not being completed.

**3.0 Progress**

- 3.1 In the period between the June meeting and mid-July we continued to function, in terms of working arrangements, much as was reported to the Board in June, albeit more non-statutory and back-office tasks were gradually incorporated into workloads.
- 3.2 During this period we were also able to:-
  - Continue to deal with significant numbers of enquiries and valuation roll changes arising from COVID-grant applications.
  - Progress various ICT developments in preparation for the 2022 Revaluation and NDR Reform.
  - Prepare for the annual electoral canvass, including reform of the canvass and the extension of the franchise to some prisoners and non-national residents. In

particular, the National and Local Data Matching processes were completed in preparation for the annual canvass.

- Handle and respond to a significant number of requests to have 2017 Revaluation appeals referred to the Lands Tribunal.
- Recommence formal in-house Assessment of Professional Competence training for a Trainee Valuer.
- Initiate several rounds of recruitment in line with the approved Workforce Plan and in response to retirements and resignations.
- Respond to all queries and enquiries from the external auditor.
- Complete our annual staff survey.
- Continue to participate in Scottish Assessors Association meetings, projects and developments

More detail on some of the above is provided in reports which are separately presented to the Joint Board today.

- 3.3 The Cabinet Office has confirmed that, despite the COVID-19 outbreak, the annual electoral canvass must proceed. That process requires the physical processing of paper forms which have been returned from electors, so since mid-July our attention has been on facilitating a partial return to office working for a limited number of staff.
- 3.4 This process required workplace risk assessments to be completed, protocols to be established, new office layouts to effected, cleaning and sanitising arrangements to be made and a number of other changes to take place. Staff representatives were involved in the changes made to ensure a COVID-safe environment.
- 3.5 All aspects of the return to the workplace were carried out in line with, and with reference to, Scottish Government, public health and The Royal Institute of Chartered Surveyors guidance. Further, there was significant liaison with Health & Safety officials at West Dunbartonshire Council.
- 3.6 Over 30 and 31 July, eight staff returned to work in the Clydebank office and four returned to the Campbeltown office for 'orientation days' ahead of a return to work on 3 August. These orientation days included a briefing on, and a walk round of, the new COVID-safe arrangements and training in changes to the electoral system. All staff were asked to ensure that they were content with the COVID-safe arrangements.

#### **4.0 Issues**

A combination of circumstances arising from the outbreak, including having limited workplace presence, the failure of the Scottish Government to bring forward necessary secondary legislation, the increase in workload arising from COVID grant enquiries, postponement of Valuation Appeal Committee Hearings and the closure of private practice surveyors' offices, have resulted in:

- Delays to the implementation of the Assessor's new information gathering powers.
- The above delay has the knock-on effect of delaying the information gathering and analysis required to prepare for the 2020 Revaluation (though see 4.6 below).
- A slow-down in the disposal of 2017 Revaluation and related appeals.
- Some increased enquiry response times and reductions in measured performance areas.
- Our offices remaining closed to the public and non-essential visitors.

It is also worth noting that almost 2,500 NDR appeals have been received claiming that the outbreak constitutes a material change of circumstances. Originally, these had to be disposed of by March 2021, but on 26 August, the Scottish Government confirmed that it would amend the relevant secondary legislation to move the disposal date to 31 December 2021.

#### **4.0 Next Steps**

- 4.1 Working from home will remain the default position for the majority of employees but this will be reviewed in light of changing governmental and other guidance. The levels of workplace attendance required will also be reviewed as operational requirements change over time.
- 4.2 At time of writing, and in line with relevant guidance, protocols are being developed which should permit limited survey and inspection to recommence in the near future, albeit this will be a 'last resort' option where plans and other relevant information cannot be obtained or accessed remotely.
- 4.3 The annual electoral canvass is ongoing and we will need to review whether a 'door-to-door' canvass can proceed in the context of guidance at the time or whether other means will need to be used to satisfy the statutory requirement to 'personally' canvass households that have not made a return.
- 4.4 The capital spending plan for 2020/21 is likely to be used to facilitate home working for the small number (three) of staff who remain available for work but who have no home working facilities. Peripheral IT devices such as web cams and headphones/microphones will be used to enhance our remote communications.
- 4.5 The outbreak is expected to have significant effects on the preparations for the Scottish Parliamentary Election to be held in May 2021. It is quite clear that the ERO will need to act to provide resilience and contingency for that event. This issue is subject to a separate report to the Joint Board for today's meeting
- 4.6 Significant uncertainty has arisen in respect of the timing of the Revaluation which is currently scheduled to take effect from 1 April 2022. The English and Welsh Revaluations for 2021 have been rescheduled to 2023 and, in its 'Programme for Government' announced in Parliament on 1 September 2020, the Scottish Government indicated that the next non domestic rates revaluation in Scotland will

take effect in 2023. As the change to the Revaluation date has not been passed by Parliament, planning for any future Revaluation will need to remain subject to change.

- 4.7 In due course, a review of our reaction to the outbreak will be undertaken in order to review and highlight any lessons learned.

## **5.0 Recommendations**

Members are asked to note:

- (a) the effect of the outbreak of Corona Virus/COVID-19, and the Government restrictions introduced to deal with the outbreak, on the functions and services of the Valuation Joint Board.
- (b) the steps and actions taken to mitigate the above effects, and ensure that services are run as near to normally as is possible.

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**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD**

Report by Assessor &amp; Electoral Registration Officer

Valuation Joint Board –16 September 2020

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**Subject: Personnel Policies – Supporting Employee Wellbeing and Disability Passport****1.0 Purpose of Report**

- 1.1 To seek Members approval of a Supporting Employee Wellbeing Policy and procedure for application within the Joint Board, and
- 1.2 To seek Members approval of Disability Passport Guidance to support the implementation of the above Policy.

**2.0 Background**

- 2.1 As Members will be aware, the Valuation Joint Board generally aligns its Personnel Policies with West Dunbartonshire Council (WDC).
- 2.2 For some years now, the Joint Board has operated an Attendance Management Policy which was broadly in line with that operating in West Dunbartonshire Council. The most recent update to that Policy was approved by the Joint Board in September 2018.
- 2.3 Tailored Adjustments Agreements, which form a record of the reasonable adjustments that have been agreed between an employee and their line manager to manage or deal with a disability or health condition, formed part of the Maximising Attendance Policy.
- 2.4 At its meeting in June 2019, the Joint Board approved an Employee Wellbeing Charter which aimed to:-
  - \* Ensure the Joint Board maximises the benefit of employees' skills and knowledge by supporting them to remain at work,
  - \* Do our best for our stakeholders by maximising attendance, and
  - \* Ensure that employers and employees, alike, benefit from developing healthy workplaces and practices.
- 2.5 In October 2019, West Dunbartonshire Council reviewed their Attendance Management Policy to amend the language used, throughout, in line with the WDC employee wellbeing ethos, and to incorporate manager responsibilities in maintaining the HR management system. This review included the update of the Tailored Adjustment Agreement, to be known as the Disability Passport.

### **3.0 Progress**

- 3.1 The Valuation Joint Board's Management Team has adapted a similar Supporting Employee Wellbeing Policy, including the Disability Passport, for application within the Joint Board and these are attached as Appendices for Members consideration.
- 3.2 The relevant Trades Union has been consulted on the policy but, in line with the situation in WDC, the relevant Union has not agreed the Policy. It is to be noted that the Trades Unions' formal position in respect of the WDC Policy is reported as being that the policy is "the best achievable through negotiation, recognising that some aspects require further monitoring of the application to ensure the supportive nature of the policy is prioritised".
- 3.3 It is therefore proposed that the implementation of the Policy is kept under constant review and that employee and Trades Union feedback will be used to inform any future review.
- 3.4 An Equalities Impact Assessment of the change to the Policy has been completed and is attached (Appendix 3) for members consideration.

### **4.0 Recommendation**

- 4.1 Members are asked to approve the Supporting Employee Wellbeing Policy and the Disability Passport for implementation within the Joint Board.

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Appendix 1: DABVJB – Supporting Employee Wellbeing Policy & Procedure

Appendix 2: DABVJB – Disability Passport Guidance

Appendix 3: DABVJB - Supporting Employee Wellbeing Policy Equalities Impact Assessment



*Dunbartonshire and Argyll & Bute  
Valuation Joint Board*

## Supporting Employee Wellbeing Policy & Procedure

## Document Management - Version Control

<b>Supporting Employee Wellbeing Policy and Procedure Rationale/Driver for Review:</b> Reviewed to align with WDC Wellbeing Policy which was reviewed to amend the language used, throughout, in line with the WDC employee wellbeing ethos and strategy. Incorporates manager responsibilities to update HR21 system with information			
Version	Author	Changes/Approval	Date
2020 v0.1d	D Thomson	Various changes from existing policy to align with WDC	July 2020
2020	D Thomson	MT approval	August 2020

## Contents

### Supporting Employee Wellbeing Policy

1. Introduction
2. Scope
3. Key Principles
4. Definitions
5. Application of Policy and Procedure
6. Legislative / Policy Framework
7. Responsibilities
8. Wellbeing Prompts
9. Review

### Supporting Employee Wellbeing Procedure

1. Introduction
2. When an Employee is Absent
  - 2.1 Absence Reporting and Record Keeping
  - 2.2 Contact during absence
  - 2.3 Certification of Sickness Absence
  - 2.4 Long Term Absence (exceeding 21 continuous calendar days)
  - 2.5 Potential Outcome of Long Term Absence
3. Following an Absence / Returning to work
  - 3.1 Return to Work Discussion
  - 3.2 Back to Work Wellbeing Support Meetings
  - 3.3 Discretion
  - 3.4 Appeal against Advisory Notes
  - 3.5 Appeal against Dismissal on the grounds of capability
4. Management of Particular Types of Sickness/Absence
  - 4.1 Disability
  - 4.2 Work Related Stress
  - 4.3 Reactive Stress
  - 4.4 Musculoskeletal Condition or Injury
  - 4.5 Pregnancy/Maternity
  - 4.6 Accident at Work / Work Related Absence

- 4.7 Certified and Notifiable infectious disease
- 4.8 Alcohol and Substance Misuse
- 4.9 Planned Medical Procedures
- 4.10 Absence and Part Attendance at Work
- 4.11 Serious Ill Health

## 5. Conduct

- 5.1 Failure to Report
- 5.2 Problematic Absence
- 5.3 Failure to Engage in the Supporting Employee Wellbeing Process

## 6. Related Policies

### **Appendices**

- 1 Support Resources
- 2 Guidance on Applying Discretion
- 3 Scheme of Delegation – Local Government Employees
- 4 Employee Wellbeing Support Guide

# Supporting Employee Wellbeing Policy

## 1 Introduction

- 1.1 Dunbartonshire and Argyll & Bute Valuation Joint Board (“the Joint Board”) recognises the value of its employees and is committed to ensuring that employees are supported to deliver and continuously improve the functions that the Joint Board delivers. To do this, promoting employee health and attendance at work is essential and the Joint Board is committed to creating and maintaining a culture where regular attendance at work is the norm.

This policy has been developed to promote and support acceptable attendance at work, and to provide guidelines for the fair, reasonable and consistent management of sickness absence. The purpose of this policy is to ensure that all employees of the Joint Board are given every opportunity to maintain acceptable attendance levels and to address attendance issues where positive levels are not maintained.

- 1.2 The Joint Board aims to act reasonably and in a supportive manner at all times, taking account of all the circumstances including compliance with any relevant legislation

## 2 Scope

- 2.1 The policy applies to **all** employees of Dunbartonshire and Argyll & Bute Valuation Joint Board.
- 2.2 The Joint Board will ensure that good equal opportunities practice underpins the operation of this policy irrespective of age, disability, sex, gender re-assignment, race, religion and belief, pregnancy and maternity, marriage and civil partnership or sexual orientation.

## 3 Key Principles

- 3.1 The Joint Board is committed to creating and maintaining a working culture in which optimum attendance at work is the goal. This will be facilitated by implementing this policy in a supportive and equitable manner. The key principles of this policy aim to:
- Promote a culture of health and wellbeing with our employees;
  - Achieve the right balance between managing absence efficiently and providing support and help to an employee who has health problems or is experiencing personal difficulties. This should be done in conjunction with any relevant supportive policies for example, but not limited to, the Domestic Violence and Abuse Policy and the Carers Leave Scheme;
  - Support the Joint Board’s Employee Wellbeing initiatives by making employees aware of the type of support services available to them to help minimise their absence, or the length of the absence, where possible

- Ensure employee awareness of the importance of regular and sustained attendance at work and the impact of absence on the reliable and effective provision of services;
- Ensure that there is a primary focus during any discussion with employees on what the employee is able to do rather than what they are unable to do;
- Ensure employees are aware that they are responsible for managing their own health and wellbeing and have a duty to inform the Joint Board of any underlying health condition that may impact on their ability to undertake their role safely; and
- The Joint Board recognises its duty to comply with the law governing health, safety and welfare of employees, including the conditions under which they work and the provision and maintenance of necessary protective clothing.

## 4 Definitions

For the purposes of determining management intervention and absence reporting:

- **Short Term Absence** is defined as a period of sickness absence between 1 and 20 calendar days.
- **Long Term Absence** is defined as a period of sickness absence of 21 calendar days or more.

Note that any reference to the Assessor & ERO in this policy can equally apply to the Depute Assessor & ERO.

## 5 Application of Policy and Procedure

- 5.1 The Joint Board has a responsibility and commitment to set acceptable, realistic and measurable attendance standards. These will be made clear to employees as part of their induction and reiterated on an ongoing basis by their line manager as part of the management of attendance processes in operation within the Joint Board at the time.
- 5.2 Where attendance standards are not meeting expected levels as determined by this Policy, the Supporting Employee Wellbeing Procedure will be followed. This is to ensure regular support is in place guided by our Employee Wellbeing initiatives to keep employees at work where possible
- 5.3 A Supporting Employee Wellbeing Procedure has been developed to support this policy.

## 6 Legislative / Policy Framework

- 6.1 The Policy and Procedure complies with the Employment Rights Act 2008, the Equality Act 2010 and the Access to Medical Reports Act 1988.

6.2 The Policy also complies with ACAS guidance: *Managing Attendance and Employee Turnover*, ACAS Code of Practice: *Disciplinary and Grievance procedures*, and EHRC guidance in the field of employment.

## 7 Responsibilities

7.1 It is the responsibility of all employees, managers, Trades Union representatives and West Dunbartonshire Council's Human Resources (WDC HR) to:

- apply this policy and procedure in a fair, reasonable and consistent manner;
- request advice and support from WDC's Human Resources team;
- ensure attendance at work and that employees maintain good fitness for work by managing their own health sensibly;
- ensure that employees fully understand the standards of attendance expected, proactively seek support or assistance at an early stage if required, and ensure that employees fully engage in the Supporting Employee Wellbeing policy and procedure;
- attend any relevant training, and to ensure that they are up to date with any policy changes,;
- engage in early intervention to support continued attendance at work.

## 8 Wellbeing Prompts

8.1 Wellbeing prompts are used to identify points at which the line manager will discuss an employee's wellbeing and absence record and to identify any relevant supports that may be needed.

At all stages of the policy the following instances will require a prompt for the manager to invite the employee for a wellbeing meeting:

- **4 occasions of absence in a rolling 12 month period or;**
- **8 days in a rolling 12 month period.\***

\* Absence prompts will be pro-rated for part time workers as follows:

No of Days Worked Per week	Wellbeing Prompt
2	3 working days
3	5 working days
4	6 working days
5	8 working days

## 9 Review

9.1 The policy will be reviewed as required.



# **Supporting Employee Wellbeing Procedure**

## **1. Introduction**

- 1.1 The aim of the policy is to prioritise employee wellbeing and commit to ensuring employees feel supported when they find themselves absent from work. This Supporting Employee Wellbeing Procedure has been developed to provide a procedural framework for line managers and employees in line with the key principles of the Supporting Employee Wellbeing Policy.
- 1.2 The procedure outlines the steps to be taken when managing intermittent absence (1 – 3 days), short term absence (4 – 7 days), medium term absence (8 days to 20 days) long term absence (21 days plus) and unauthorised absence.
- 1.3 It is the responsibility of all managers to ensure that the procedures outlined below are followed in relation to all employees. Application of this policy should be included in Induction and Training Plans of all managers across the Joint Board and will be monitored as part of that process.

## **2. When an Employee is Absent**

### **2.1 Absence Reporting and Record Keeping**

#### **2.1.1 Reporting**

If an employee is unfit for work, they are required to contact their Line Manager to advise of their absence no later than 1 hour after the commencement of the working day. Employees are asked to make the call personally however, in exceptional circumstances, e.g. hospitalisation, a person authorised by the employee may call on their behalf.

It is not acceptable to contact managers via text message or email to report an absence however, in exceptional circumstances, and only when an employee is not able to speak directly with their manager, or an alternative manager, a message should be left allowing the manager to return the call at the earliest opportunity.

When an employee reports to the manager to advise that they are not fit, all options should be explored to mitigate the absence or reduce the duration, e.g. alternative duties, working from home, adjusting start time. The focus of this discussion should be on what the employee is able to do rather on what they are not able to do and ultimately the employee determines whether they are fit to work and when.

When an employee has reported sick, they should maintain regular contact with their manager in line with section 2.2 below. During the first week of absence, after the initial notification, contact will be made by the employee on the fourth day to provide the manager with up to date information in relation to the absence. Managers have a responsibility to update any information related to the absence under the employee's HR21 record in a timely manner.

### 2.1.2 Falling ill while at work

If, during the course of their duty period, an employee feels unwell and is unable to continue his/her shift, he/she should advise his/her line manager immediately. If the employee feels unable to continue to work he/she may need to go home.

Where an employee works more than half of his/her shift this day will not be recorded as sickness absence but where less than half of the employee's shift is worked, then this day will be recorded as sickness absence. For further information please refer to Section 4.11.

### 2.1.3 Record Keeping

All records relating to absence shall be held in the employee's personal file and within both the Joint Board's Supporting Employee Wellbeing Records and WDC's Workforce Management System in accordance with GDPR Legislation and Framework and the Data Protection Act to ensure accuracy and confidentiality.

An employee is required to notify his/her manager if an absence is related to disability or maternity / pregnancy and absences should be identified as such in the employee's sickness records to avoid less favourable treatment under the Equality Act 2010.

## **2.2 Contact during absence**

The employer, through line management, has an obligation to maintain contact with employees who are absent from work. The manager will advise on day 1 when an employee reports sick, the arrangements for the next day of contact. When the absence is expected to be intermittent or short term, where appropriate, contact may be daily. When it is known that absence will be longer term then contact may be agreed on a less frequent basis however both managers and employees are expected to as a general rule, follow the **minimum** contact arrangements:

- Absence under 7 days – the **employee** has an obligation to report on day 1 and day 4.
- Absence over 7 days and up to 21 calendar days– the employee has an obligation to contact the manager on day 8 and the **manager** will contact the employee at least every 7 calendar days thereafter.
- Absence over 21 calendar days –the **manager will** contact the employee at least every 14-21 calendar days, dependent on the circumstances and reason for absence.

Employees are obliged to make themselves available for agreed contact during normal working hours. Contact will be by telephone to the employee's home telephone number, or another number mutually agreed.

Should the employee not report in line with their obligation, the manager should attempt to contact him/her. If the manager is unable to make contact or there is a concern regarding the employee's welfare, contact his/her next of kin recorded on HR21 or within the VJB's employees records.

Unreasonable failure to make or maintain contact may be treated as a failure to follow procedures see Section 5 – Conduct.

### **2.3 Certification of Sickness Absence**

Absence in excess of seven calendar days must be covered by a Statement of Fitness for Work (Fit Note) which can be obtained from a GP and submitted at the beginning of each period to which it refers. .

Any absence up to 7 days and the first 7 days of any long term absence should be self-certified by the employee. This must be done at the Return to Work meeting using the relevant section on the Return to Work discussion form.

If an employee returns to work within 21 days go to [Section 3 - Following an Absence / Returning to work](#)

### **2.4 Long Term Absence (exceeding 21 continuous calendar days)**

Where an absence exceeds 21 calendar days it is considered a long term absence and in such instances there are a number of actions and considerations that a manager is required to take to underpin the key principles of the Supporting Employee Wellbeing Policy.

#### **2.4.1 Occupational Health referral**

A referral to occupational health should be made when an employee's absence is, or is expected to be, categorised as long term. The Occupational Health service which is accessed via WDC's HR can provide support and guidance to employees on a range of health related issues. (Please see appendix 1 for further information on Occupational Health)

The line manager will ask Occupational Health to give an informed opinion on the employee's ability to do their job, or a suitable alternative job to the standard reasonably required by the Joint Board in the foreseeable future. Additionally, Occupational Health may be asked to provide advice regarding other supportive measures that may be applicable. The information provided in the occupational health report will allow managers, in consultation with WDC HR, to make informed decisions and provide reasonable support to the employee. While it is the responsibility of Occupational Health professionals to provide a medical opinion, it is for the employer, via the line manager, to make subsequent decisions.

If an employee's absence is considered as short-medium term (anything under 21 days) it may be appropriate to refer him/her to Occupational Health to determine on-going supports. This will be dependent on the individual circumstances of that absence, with further advice sought from WDC HR.

#### **2.4.2 Wellbeing Support Meetings**

During an absence the manager, employee and an HR adviser (as appropriate) will communicate on a regular basis to discuss the employee's progress and support the

employee's recovery. This will normally be a minimum of every 21 days however this may not always be appropriate and will be dependent on individual circumstances.

Employees will be invited to Wellbeing Support Meetings in writing, a minimum of 5 working days before the date of the meeting, and will be given the right to be accompanied by a fellow worker, a trade union representative or an official employed by a trade union. Should trade union representation be unavailable, the employee should take all reasonable steps to find an alternative accompaniment or colleague to attend. This should not cause an unnecessary delay to the meeting taking place.

At each of these meetings action points will be set and discussed at the following meeting. This will ensure that the appropriate support is provided and both the employee and the manager are kept up to date with any progress made. Where no progress is being made between the Wellbeing Support meetings consideration will be given to progress to a Wellbeing Review.

Managers have a responsibility to update an employee's HR21 record with meeting dates etc.

Refer to S 2.4.3 under 'Exceptional Circumstances' in relation to alternative venues and formats.

### 2.4.3 Wellbeing Review

When an employee has been absent for 13 weeks a Wellbeing Review should be arranged with the employee, their Trade Union representative or colleague, the line manager, a senior manager and an HR adviser. This will be a supportive meeting arranged to discuss the on-going absence, the occupational health and/or additional medical advice and any support that can be put in place to assist the employee to return to work. The manager should ensure appropriate consideration of any related supportive policies. An action plan will be put in place at the Wellbeing Review to ensure appropriate support is in place and to outline, where possible, the potential outcome of the long term absence.

In some cases, it may not be appropriate to carry out a Wellbeing Review at 13 weeks and the individual circumstances of the case should be considered, with advice being sought from WDC's HR team.

In exceptional circumstances, where the employee is not medically fit to attend the Wellbeing Review, alternative formats and venues can be agreed i.e. home visit or meeting at a facility close to home. If no alternatives can be put in place, then this may take place in the employee's absence. All information will be relayed to the employee at the earliest opportunity. A trade union representative can attend this meeting on behalf of the employee.

Managers have a responsibility to continuously update an employee's HR21 record with meeting dates etc.

## 2.5 Potential Outcomes of continued long term absence

While it is hoped that all employees will regain fitness and will return to their current role it is recognised that this will not always be possible, in such circumstances there are a number of options which should be considered as part of the case review action plan.

If an employee returns to work with no adjustments go to [Section 3 - Following an Absence / Returning to work](#)

### 2.5.1 Adjustments to the employee's current role

Where an employee is not currently fit to continue in their current role but could return, with reasonable adjustments, the manager should consider and discuss any adjustments or accommodations that would facilitate a sustained return to work.

This may include a short term rehabilitation plan or phased return (if appropriate) and may involve (but is not limited to):

- A reduction of hours / Phased return – subject to individual circumstances, condition(s) and medical advice available.
- Flexible working hours
- Lighter duties
- Changes to work environment
- Temporary change to work location - this could be an alternative working location or working from home.

Where an employee returns to work following long term absence, and the absence has crossed over two holiday years, any outstanding leave from a previous leave year should be utilised to facilitate a phased return.

Where no leave from a previous year is available a phased return will be paid as per normal contract for a **maximum** period of 28 calendar days. Should any further reductions be required, then the employee must use their annual leave entitlement to facilitate this. If annual leave has been exhausted for the current leave year then this may be unpaid. In exceptional circumstances, the option for an extended paid phased return may be considered in line with discretion from the manager and the Assessor & ERO. Note that this is not guaranteed and will be based on the individual circumstances of the employee.

Should there be any permanent change to the employee's working arrangements, the employee's contract of employment (including salary, leave, statutory holidays etc.) shall be adjusted accordingly.

### 2.5.2 Suitable Alternative Employment

Where reasonable adjustments cannot be made to the employee's working environment, advice will be sought from Occupational Health regarding the employee's ability to carry out an alternative role; this advice should be sought at the earliest opportunity and be included in Wellbeing Support meetings and Wellbeing Review discussions. In such instance where the employee is not fit to continue in

their current role, and will not regain the required levels of fitness to do so in the foreseeable future, but could undertake an alternative role within the Joint Board, every effort will be made to find suitable alternative employment. During and following any redeployment the Supporting Employee Wellbeing Policy will still apply. In cases of successful redeployment the new manager should refer to [Section 3 - Following an Absence / Returning to work](#)

### 2.5.3 Ill Health Retirement (members of LGPS)

Where an employee is not fit to continue in their current role they may be considered for ill health retirement. The manager will refer to Occupational Health and with the employee's knowledge ask for an opinion as to the employee's eligibility for ill health retirement.. Please refer to guidance on ill health retirement for further information.

### 2.5.4 Termination on the grounds of Capability

While the preference will always be to retain employees there may be circumstances where this may not be feasible. Where reasonable adjustments cannot be made to the employee's current job, an employee is incapable of undertaking a suitable alternative job, no suitable job is available, the employee refuses to accept a suitable alternative job and does not qualify for ill health retirement or is not a member of the LGPS then the employee's employment will be terminated on the grounds of capability.

When considering termination on the grounds of capability, advice **must always** be sought from WDC Human Resources and eligibility for IHR must be considered.

## **3. Following an Absence / Returning to work**

### **3.1 Return to Work Discussion**

A return to work discussion will be held after **every** absence in order to confirm the employee's fitness to return, to discuss the reason for the absence and to ensure that all reasonable support is offered to the employee to maintain good attendance at work.

The return to work discussion must take place on the day the employee returns to work or as soon as practicably possible thereafter if the line manager is unavailable. Details of the discussion should be recorded using the Return to Work Discussion form which should be held securely by the line manager and copied to Secretaries for inclusion in personal files. All Return to Work information should be updated on HR21. Employees should also ensure that the self-certification section of the return to work form is completed at this meeting. In exceptional circumstances, the return to work discussion may be carried out via telephone. In such circumstances the employee should ensure that a self-certification form is completed and sent to the manager at the earliest opportunity.

During the return to work meeting the manager will advise the employee if a Wellbeing meeting is required in line with Section 8.1

### 3.1.1 Annual Leave

If an employee has been absent for more than 13 weeks the manager should advise at the return to work discussion that the employee's annual leave has been amended. Employees are only entitled to accrue annual leave at 28 days per year (including public holidays) during the sick leave period. Managers should refer to the Annual Leave Policy for worked examples of such calculations.

During a period of long term absence an employee can ask to use their annual leave. If the employee is on half pay or nil pay this would provide them with a period of additional full pay. The normal leave request and approval arrangements would apply.

### 3.1.2 Overtime

To support the employee's recovery and recuperation and to ensure that the employee has regained full and sustainable fitness before taking on any additional workload, it is not appropriate for them to work any additional hours or overtime for a period of seven days during the week following their return to work or during any phased return period. Consequently, they will not be asked to work overtime.

## **3.2 Back to Work Wellbeing Support Meetings**

Wellbeing Support Meetings are an opportunity for a manager to discuss reasons for an absence and put in place any appropriate supports for the employee. They are formal meetings and will be arranged when an employee has returned from a period of absence and the manager has identified that a meeting and their support is required in line with standards (prompts) set out in Section 8.1 of the Policy. These meetings should take place, wherever possible, within 10 working days of the Return to Work discussion, and earlier if possible.

Employees will be invited to Wellbeing Support Meetings in writing and will be given the right to be accompanied by a fellow worker, a trade union representative or an official employed by a trade union. Should trade union representation be unavailable, the employee should take all reasonable steps to find an alternative accompaniment or colleague to attend. This should not cause an unnecessary delay to the meeting taking place.

The purpose of these support meetings is to give the manager the opportunity to discuss the Occupational Health Report (if applicable), reasons for absences, any support that can be offered, any evidence of patterns of absence or any other concerns, including assessing their fitness for their role.

Each time an employee is invited along to a Wellbeing Support Meeting, the manager will determine if it is appropriate for them to be issued with an attendance advisory note. The maximum number of attendance advisory notes that can be issued is 3 (see S3.2.1 below).

### 3.2.1 Attendance Advisory Notes

#### 1st Attendance Advisory Note

1st Attendance Advisory Note will remain on file for 9 calendar months from the day following the last day of absence.

#### 2nd Attendance Advisory Note

2nd Attendance Advisory Note will remain on file for 12 calendar months from the day following the last day of absence.

#### 3rd Attendance Advisory Note

When a further support meeting is required due to subsequent absence and an employee is within their 2nd attendance advisory note period, a WDC HR adviser will be required to attend the Wellbeing Support Meeting with the manager. Should the manager issue the employee with a third and **final** attendance advisory note, this will run for **12 calendar months** from the day following the last day of absence.

### 3.2.2 Final Wellbeing Support Meeting

If an employee has subsequent absence during the 3rd attendance advisory period they will be invited to a Final Wellbeing Support Meeting where a WDC HR Adviser will also be in attendance. This meeting will give the manager the opportunity to discuss how the absence has been managed to date including discussing the occupational health reports, reasons for absences, absence history, any supports that have been offered, any evidence of patterns of absence or any other concerns. This meeting will give the employee the opportunity to respond to all points raised in the meeting as well as highlight any further relevant information.

Where there are clear mitigating circumstances the manager may decide to move the employee back to the 3rd attendance advisory period, however this should only be done in exceptional circumstances and in consultation with WDC HR and the Assessor & ERO. If it is clear that the absences cannot continue to be supported and are no longer sustainable, one of the outcomes of this meeting could be dismissal on the grounds of capability. Please refer to the scheme of delegation in appendix 3.

Managers have a responsibility to regularly update an employee's HR21 record with meeting dates etc

### 3.2.3 Improved Attendance

If at any stage of the process an employee meets the required standards of attendance and absence levels improve for the duration of the advisory note, they will thereafter exit the process. The Advisory note will be removed from their record, however it should be noted that the entire absence history can be considered in any future proceedings. Throughout each stage of the policy, managers should remind employees about the ongoing employee supports available by enclosing the Employee Wellbeing support guide (Appendix 4) in their correspondence.



### **3.3 Discretion**

On occasion, and in exceptional circumstances, a manager may feel that it is not appropriate to issue an employee with an Attendance Advisory Note. In such circumstances the manager, in consultation with WDC's HR and the Assessor & ERO, will consider whether it is appropriate to apply discretion, using a Discretion Request Form. Further guidance on the use of discretion is available in appendix 2.

### **3.4 Appeal against Advisory Notes**

Employees are entitled to appeal the decision to issue an Advisory Note. Appeals must be lodged with the person or persons specified within the Improvement Note within 10 working days of receipt of the letter. Appeals will normally be held as soon as possible and no later than 4 weeks after receipt of the employee's written appeal. Appeals should be submitted in writing using the standard Advisory Note Appeal Form setting out the grounds for the appeal. Notification of the outcome of the appeal will be confirmed as soon as possible and within 5 working days of the meeting.

### **3.5 Appeal against Dismissal on the grounds of capability**

Any employee whose contract has been dismissed in accordance with this policy will have the right to appeal to the Joint Board's Appeals Committee. The employee must lodge their appeal in writing with the Assessor & ERO within 10 working days of receiving the termination letter. The employee must complete and submit the standard Appeals documentation setting out the grounds of their appeal. The Assessor & ERO will acknowledge receipt of the appeal in writing, and will copy the acknowledgement letter and the appeals documentation to the Strategic Lead People and Technology in WDC who will progress the appeal to the Appeals Committee. The right to appeal expires 10 working days after receipt of the termination letter.

## **4. Management of particular types of sickness/absence**

### **4.1 Disability**

Line managers have a duty to consider, after consultation with the employee and Occupational Health, whether or not an employee has a disability or underlying health condition as defined by the Equality Act 2010. This will determine what actions / interventions will be appropriate to support the employee in continued employment. Where there is a recognised disability and this has an impact on the employee's ability to carry out their role, Managers should consider the use of a Disability Passport. Managers should also consider the appropriateness of progression through the stages of this policy and the application of discretion where appropriate. Employees and Managers should also refer to the Disability Leave Scheme for time off for appointments.

Should an employee covered by the Equality Act 2010 have sickness absence, either long term, or short term, related to their disability or underlying health condition, the line manager should seek advice from WDC Human Resources. Whilst all possible measures should be taken to improve the attendance of an employee with a disability, or underlying health condition there may be occasions when an employee's

employment is terminated due to a lack of capability in accordance with sections 2.5.3, 2.5.4 or 3.2 of the Supporting Employee Wellbeing Procedure.

Sickness absence related to a disability must be identified as such in the employee's sickness absence records. This is to ensure that employees with a disability are not treated less favorably in employment decisions and will also assist line managers when considering reasonable adjustments.

#### **4.2 Work Related Stress**

When an employee has identified either when reporting sick, or through submission of fit notes, that their absence is related to Stress (or similar ie anxiety or debility) the manager must arrange a meeting to complete an individual stress risk assessment with the employee. This meeting should take place within 7 days. The employee must also be referred to Occupational Health and a copy of the completed stress risk assessment form, with agreed actions, should be enclosed with the referral.

#### **4.3 Reactive Stress**

When an employee reports absent with stress relating to an ongoing disciplinary or grievance process etc. the absence will continue to be managed under this policy. Early intervention in such cases is essential and employees should be supported to return to work at the earliest opportunity. Employees are required to fully cooperate and be available to participate in ongoing investigations and processes.

Sick pay may be suspended if an employee abuses the sickness scheme or is absent on account of:-

(i) sickness due or attributable to deliberate conduct prejudicial to recovery;

(ii) the employee's own misconduct or neglect;

(iii) active participation in professional sport; or

(iv)

injury while working in the employee's own time on their own account for private gain or for another employer.

#### **4.4 Musculoskeletal Condition or Injury**

When an employee has identified either when reporting sick, or through submission of fit notes, that their absence is related to a musculoskeletal condition or injury then the manager must consider when an occupational health referral is appropriate. Advice can be sought directly from occupational health or from WDC Human Resources.

#### **4.5 Pregnancy / Maternity**

Should an employee have a period of sickness absence related to a current or recent pregnancy, this must be identified as such in the employee's sickness absence records. This is to ensure that employees absent due to pregnancy are treated equitably in employment decisions and these absences will not be considered in relation to an attendance advisory note. . Any other sickness absence, unrelated to

the pregnancy, would be counted in line with the procedures set out within the Supporting Employee Wellbeing Policy.

#### **4.6 Accidents at Work and Workplace Accidents**

When an employee has an accident at work this must be reported and investigated in line with the Joint Board's Accident reporting procedure using an HS1 form and informing the relevant H&S trade union representative as soon as possible.. If an accident at work results in an absence lasting more than 3 working days a referral should be made to Occupational Health.

Where it had been determined following an investigation that the Joint Board could have reasonably prevented the accident and the employee was not at fault any related absence should be discounted and should not be part of any considerations relating to the issuing of an attendance advisory note in this policy.. Any decision to discount absences must be made in conjunction with WDC HR.

Where it has been determined that an employee could have reasonably avoided having the accident any related absence will be included in the considerations relating to attendance advisory notes out lined in this policy.

Where an employee is assaulted at work (for example, but not limited to, by a service user) then this should be reported on an HS1 form and the incident investigated. In such circumstances where the employee is not at fault and could not reasonably prevented this, any resulting absence will not be included in the considerations relating to attendance advisory notes.

#### **4.7 Certified and Notifiable Infectious Disease**

An employee who is prevented from attending work because of contact with infectious disease (confirmed by a medical certificate) must notify the Assessor & ERO immediately. Any related absence will not be included in the considerations relating to attendance advisory notes. Information on notifiable infectious diseases can be found on [Notifiable Diseases](#)

#### **4.8 Alcohol and Substance Misuse**

The Joint Board is committed to assisting employees who have serious long-term alcohol or substance misuse problems as well as those whose difficulties are relatively less serious and / or short-term, through preventative action and a range of referral options outlined in the Joint Board's Alcohol and Substance Misuse Policy and Procedure.

If an employee's sickness absence is directly as a result of alcohol and / or substance misuse, this will be treated as sickness absence and recorded accordingly. However, if absence related to alcohol or substance misuse is frequent and recurring then this may be treated as a conduct issue and the Joint Board's disciplinary policy may apply. Employees may still, however, be subject to termination in accordance with section 2.4 or 3.2 of this policy.

## **4.9 Planned Medical Procedure**

If an employee requires time off to attend a medical appointment or to have a medical investigation / procedure carried out, the Special Leave policy should be applied. If the employee is subsequently unfit to attend work on the following day(s) then the *subsequent* absence will be considered sickness absence and will count towards a prompt. In conjunction with the employee, managers are encouraged to explore any alternative options to sickness absence, e.g. working from home, alternative duties.

## **4.10 Absence and Part Attendance at Work**

If an employee is ill and is not able to complete a full day at work (either leaving early or coming in later) the absence should be recorded as follows:

- More than half of the normal working day worked – this day will not be recorded as sickness absence
- Less than half of the normal working day worked – this day will be recorded as a half day of sickness absence.

Employees are responsible for determining their own fitness for work however should an employee present for work and the manager is concerned that they pose a risk to themselves or others a discussion should take place to determine the most appropriate course of action.

## **4.11 Serious Ill health**

Where an illness or medical condition is diagnosed as one from which the employee will not recover and they have a short life expectancy, the most appropriate course of action will be considered. Any referrals to Occupational Health will be made to assist with the employee's wellbeing. At all times the employee will be dealt with sympathetically and treated with respect and dignity. The options available will be discussed at the appropriate time (at the very least after 3 months) taking in to account their individual circumstances.

It is imperative that managers consult a WDC HR representative at the earliest opportunity to ensure that the best pension arrangements available in the circumstances can be made in good time.

## **5. Conduct**

While there is an expectation that all employees will maintain satisfactory levels of attendance, failure to achieve this for any of the reasons set out below will be dealt with under the Disciplinary Policy.

### **5.1 Failure to Report**

Failure to follow absence reporting procedures and/or certification procedures as outlined in sections 2.1 and 2.3 may result in the absence being considered unauthorised and could lead to withdrawal of occupational sick pay and disciplinary action. .

## 5.2 Problematic Absence

Where absences are problematic, for example:

- Repeated intermittent absence that is not medically certified
- Absence without reasonable explanation
- Persistent patterns of absence where the instances of absence detailed in Section 8.1 of the policy are not met.

This may be considered misconduct and where appropriate (with advice from WDC HR) will be managed under the Disciplinary Policy and Procedure. Occupational sick pay may be withdrawn in such circumstances.

## 5.3 Failure to engage in the Supporting Employee Wellbeing Process

It is the responsibility of all employees to fully engage in the Supporting Employee Wellbeing Policy and Procedure. This includes appropriate notifications, making themselves available for Wellbeing Support/Wellbeing Review Meetings, attending Occupational Health appointments, attending Wellbeing Support Meetings. Should an employee fail to engage fully in this process then this may be considered misconduct and will be managed under the Disciplinary Policy and Procedure and occupational sick pay may be withdrawn.

**NB: This section of the policy must be read in conjunction with the Joint Board's Disciplinary Policy.**

## 6. Related Policies

This policy should be read in conjunction with:

- Stress Related Absence – Information Note
- Special Leave Scheme
- Disability Leave Scheme
- Carers Leave Scheme
- Cancer Support Policy
- Dignity at Work Policy
- Performance & Development Policy
- Disciplinary Policy
- Bereavement Leave Scheme
- Disability Passport

## Appendix 1 Support Resources

### **A1.1 Occupational Health Service**

Management may require advice about the health of their employees in relation to work in a variety of circumstances and may make a referral to Occupational Health and/or Physiotherapy. The role of OH is to keep workers healthy and at work through protecting them from workplace health hazards as well as rehabilitating injured or ill workers back into the workplace. Physiotherapy is provided for workers suffering from musculo-skeletal conditions and back problems. Its role is to help restore movement and function to as near normal as possible when someone is affected by illness or injury.

Further information on Occupational Health referrals can be found on the WDC Intranet.

### **A1.2 Employee Counselling**

If employees feel that they would benefit from formal counselling, the Joint Board provides a free, confidential counselling service through an independent provider appointed by WDC. Counselling sessions will be tailored to the individual needs of the employee and will be arranged out with the workplace.

Employees can refer themselves to the service or can ask their line manager to make the arrangements on their behalf. Telephone counselling is available for those who find it hard to attend face to face counselling appointments. Counselling sessions are arranged at a time when the employee can be comfortable and private and the cost of the calls are met by the Joint Board.

Details of this service and contact numbers can be found on the WDC intranet.

### **A1.3 Access to Work**

Access to Work is a publicly funded employment support programme that aims to help more people start or stay in work. It can provide practical and financial support if you have a disability or long term physical or mental health condition.

Further information on access to work can be found on the WDC intranet.

## Appendix 2 – Guidance on Applying Discretion in Exceptional Circumstances

When an employee has returned to work and the requirements for a Wellbeing Support meeting are met in line with Section 8.1 of the policy, it is essential that the Meeting is arranged in order to provide support and assistance to the employee. In some individual circumstances, the manager should consider the application of discretion. When doing so the manager **must** consider what is reasonable and justifiable in relation to the particular circumstances of the case and seek permission to apply discretion using a Discretion Request Form from the Assessor & ERO or Depute Assessor & ERO in consultation with WDC's HR who are required to sign off any application of discretion. When it has been agreed that discretion will be applied the employee must be notified of this in writing.

In preparation for the Wellbeing Support Meetings, it may be appropriate for managers to consider discretion in advance, proactively taking into account the circumstances surrounding the employee's recent absence and their history.

Examples of circumstances which **may** lead to the application of discretion are shown below:

- Serious / Life Threatening Illness
- Planned medical procedure where future absence may be prevented
- Bereavement of an immediate family member (in cases where special leave has been exhausted)
- No absence in the last 2 years\* (in conjunction with other exceptional circumstances)
- Employee shows best effort to return to work / to consider flexible return (in conjunction with other exceptional circumstances)

This list is not exhaustive, therefore cases are not limited to those examples shown above. In addition, there may be circumstances of cases exemplified above where progression through the stages in the policy *would* be considered appropriate.

The decision to apply discretion rests with the manager, following consultation with the Assessor & ERO /Depute Assessor & ERO, however WDC Human Resources **must** be consulted as part of the decision making process to monitor appropriate and equitable application of the policy on behalf of the Joint Board.

Any decision taken by the line manager and Assessor/Depute will not set a precedent. Decisions will be made on a case by case basis dependent on the individual circumstances.

In reaching a decision, the line manager and Assessor/Depute must consider all circumstances of the individual employee within the context of the Supporting Employee Wellbeing Policy and act reasonably.

\* if employee has been at work – e.g. not applicable to new employees / long term absence / career break, etc.

**Appendix 3 – Scheme of Delegation – Local Government Employees**

**AUTHORITY TO TAKE ACTION FOR ISSUE OF IMPROVEMENT NOTES AND DISMISSALS**

<b>Level of Action</b>	<b>Employees Grade 1-9</b>	<b>Service Managers Grades 10-12</b>
Stage 1 - Advisory Note	Line Manager	Depute Assessor & ERO
Appeal	Depute Assessor & ERO	Assessor & ERO
Stage 2 - Advisory Note	Line Manager	Depute Assessor & ERO
Appeal	Depute Assessor & ERO	Assessor & ERO
Stage 3 –Advisory Note	Line Manager	Depute Assessor & ERO
Appeal	Depute Assessor & ERO	Assessor & ERO
Stage 4 - Dismissal	Assessor & ERO	Assessor & ERO
Appeal	Joint Board Appeals Committee	Joint Board Appeals Committee

Notes:

1. The job evaluation output of the immediate line manager (based on the responsibilities contained within their job profile) will determine the appropriateness of their being asked to undertake duties in relation to Supporting Employee Wellbeing as part of their role (including issuing advisory notes). If not appropriate, the hearing will be conducted by the next most appropriate manager within the structure.
2. The above will apply in generally but where normal reporting lines do not accord with the above, an alternative will be applied at the discretion of the Assessor & ERO.





*Dunbartonshire and Argyll & Bute  
Valuation Joint Board*

### **Disability Passport – Guidance Tailored Adjustment Agreements**

A Disability Passport is a record of the reasonable adjustments that have been agreed between an employee and their line manager. The purpose of the passport is to provide a framework for discussions between employees and managers in order to agree adjustments required, record the outcome of these discussions and to provide any new manager with details of agreed adjustments.

#### **When the agreement should be used**

The agreement should be used when any employee requests adjustments as they have a disability that affects them at work. The employee may make the request following medical advice from the GP or WDC's Occupational Health adviser. The arrangements may be short term – e.g. in the case of a phased return to work following absence, or can be a longer term arrangement.

There may be an existing arrangement, not formally recorded and this agreement provides an opportunity to formally record adjustments. Managers should also consider that new employees may require a reasonable adjustment at work, as advised by WDC's Occupational Health as part of the Joint Board's pre-employment health screening process, and should use the agreement to record this. Managers should seek advice from WDC's Human Resources as required.

#### **Advice and Support**

Advice and guidance to support the Disability Passport can be sought from Occupational Health and WDC's HR.

There should be an initial meeting between the employee and the manager to discuss and agree required adjustments. The Disability Passport is used as a framework for the discussion. Primarily the discussion takes place between the employee and their current line manager. If necessary WDC HR can attend the initial meeting to provide advice on what may be considered reasonable adjustments. If they so wish, employees may be supported at any meetings by a colleague or trade union representative.

#### **Meeting to discuss the Disability Passport**

At the meeting full consideration will be given to the adjustments requested by the employee taking into account the advice provided by medical professionals, WDC's Human Resources and the exigencies of the service. This will include exploration of all alternative options, length of time that tailored adjustments will be required, timescales for review, etc.

## **Recording the Outcome**

Once the adjustments have been agreed they should be recorded on the form and the form signed by the manager and the employee.

Once the form has been signed, the employee should retain a copy and ensure it is made available to any new manager or if they change jobs. A copy of the form will be recorded in the employee's personnel file.

## **What happens if there are changes to the agreement?**

It is the employee's responsibility to discuss and agree with their manager any change to the adjustments. This may be due to a change in their condition, work location or working arrangements.

The Disability Passport travels with an employee throughout the employment cycle and should be reviewed as part of any changes to their current role or if an employee transfers to another role. When a Disability Passport is updated a copy should be placed in the employee's personal file.

Review July 2020

## EQUALITY IMPACT ASSESSMENT

**Assessment Undertaken by:** Robert Nicol

**Date Prepared:** July / August 2020

**Policy / Procedure:** Supporting Employee Wellbeing (revision from Attendance Management)

**Aim of the Policy / Procedure:** The purpose of this policy is to ensure that all employees of the Joint Board are given every opportunity to maintain acceptable attendance levels and to address attendance issues where positive levels are not maintained. The policy has been developed to promote and support acceptable attendance at work, and to provide guidelines for the fair, reasonable and consistent management of sickness absence.

**Who will be affected by the policy:** The policy applies to all employees of Dunbartonshire and Argyll & Bute Valuation Joint Board

**Who has been involved in the consultation process:** The Policy has been shared with the relevant Trades Union.

	Needs	Evidence	Impact	Mitigation
Age	Some older employees may experience higher incidences of ill health.	The policy will be applied consistently to all employees.	No likely differential impact	
Disability	Disabled employees may report higher levels of absence linked to their disability.	The policy provides a framework to support employees with a disability through Disability Passports which provide for reasonable adjustments to be made to the employees conditions of work.	The policy makes reference to sustaining health and wellbeing at work, which may be challenging for disabled employees.	The use of Disability Passports, will mitigate against these challenges.
Gender Reassignment	May be an increased requirement for medical procedures.	The policy will be applied fairly to all employees. Any requirement for medical procedures will be managed fairly and consistently.	Potentially higher levels of sickness	Fair and consistent application of this policy in conjunction with other supporting policies i.e. special leave will mitigate against.
Marriage and Civil Partnerships	No particular need	N/A	No likely differential impact	
Pregnancy and Maternity	Pregnancy related illnesses may arise.	Maternity/Pregnancy related absence is not considered in relation to attendance standards.	Potentially higher levels of sickness	By not considering pregnancy related illnesses in relation to

				attendance standards potential higher levels of absence are mitigated.
Race	No particular need	N/A	No likely differential impact	
Religion and Belief	No particular need	N/A	No likely differential impact	
Sex	No particular need	N/A	No likely differential impact	
Sexual Orientation	No particular need	N/A	No likely differential impact	

**Justification for implementing change despite negative impacts:**

The policy will be adjusted to limit any negative impact on the protected characteristics identified –

- Disability - The use of Disability Passports, reasonable adjustments will mitigate against this.
- Pregnancy – Pregnancy related illness not being considered in relation to attendance standards will mitigate against this

The policy will continue to implementation as it is more supportive in the management in relation to helping employees maintain their health and wellbeing than the previous policy.

**Recommendation:** The mitigations put in place are proportionate and will be reviewed on an ongoing basis.

**Please provide a meaningful summary of how you have reached the recommendation**

Equality Impact Assessment carried out. The policy makes reference to sustaining health and wellbeing at work, which may be challenging for some employees. The use of Disability Passports, including reasonable adjustments will mitigate against this. Fair and consistent application of this policy in conjunction with other supporting policies such as special leave, cancer support policy etc. will also mitigate against any potential discrimination. By not considering pregnancy related illnesses in relation to attendance standards potential higher levels of absence are mitigated. Employees are provided with support in order to maintain their health and wellbeing as far as reasonably possible. The proposed policy provides a framework for employees to be supported and maintain their health and wellbeing in conjunction with other available supportive policies.

## DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD

Report by Assessor & Electoral Registration Officer

Valuation Joint Board –16 September 2020

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### **Subject: Personnel Policies – Personal Performance, Training & Development Policy**

#### **1.0 Purpose of Report**

- 1.1 To seek Members approval of a Personal Performance, Training & Development Policy for implementation in the Joint Board.

#### **2.0 Background**

- 2.1 For some years now, the Joint Board has operated a Personal Training & Development Policy, which had the dual aims of:-

- (a) managing and improving the performance of the Joint Board through the competence of its employees, and
- (b) encouraging employees to continually develop their careers by offering learning opportunities.

- 2.2 Since 2014, a Policy and Procedure on Individual Performance Management for Senior Management has provided for the performance management of the chief officers within the Valuation Joint Board.

- 2.3 Good Governance self-assessments that were carried out in 2018 and 2019 identified that the Personal Training & Development Policy which applies to the majority of employees of the Joint Board did not contain any element of performance management. The Action Plans arising from these audits made commitments to improve performance management at the individual level and introduce an element of performance appraisal.

#### **3.0 Progress**

- 3.1 The Valuation Joint Board's Management Team has developed and approved a Personal Performance, Training & Development Policy for application within the Joint Board. The policy, and its associated procedure, adopts some elements of the policy which is in place for senior officers and others which are based on West Dunbartonshire Council's 'Be the Best Conversations'.
- 3.2 The approved policy, which aims to ensure that employee performance and development are directly aligned to service plans and targets, is attached for Members' consideration.

3.3 The relevant Trades Union has been consulted on the policy and has agreed to its implementation on the basis that it is the best that can be agreed by negotiation.

#### **4.0 Recommendation**

4.1 Members are asked to approve the Personal Performance, Training & Development for implementation within the Joint Board.

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Person to contact:

David Thomson (Assessor and ERO)

E-mail: [david.thomson@dab-vjb.gov.uk](mailto:david.thomson@dab-vjb.gov.uk)

Appendix 1	Personal Performance, Training & Development Policy
Appendix 1a	Personal Performance, Training & Development Policy - Performance and Development Record
Appendix 1b	Personal Performance, Training & Development Policy - Training Evaluation Form



*Dunbartonshire and Argyll & Bute  
Valuation Joint Board*

**PERSONAL PERFORMANCE, TRAINING AND DEVELOPMENT POLICY**

Version	Originator	Summary of changes	Date
V0.1d	D Thomson	Significant alteration to policy to better align performance, training and development directly to service need.	Jan 2020
V0.2d	D Thomson	Amendments following MT feedback	30 Jan 2020
V0.3	D Thomson	MT approval	4 February 2020

## 1.0 GENERAL

This Policy applies to all members of staff of Dunbartonshire and Argyll & Bute Valuation Joint Board (the “Joint Board”) with the exception of the Assessor & ERO and the Depute Assessor & ERO, who are subject to a separate Performance Management process.

## 2.0 PURPOSE

The purposes of this policy are:-

- To meet the Joint Board’s commitment to manage and improve performance through the competence of our employees.
- To ensure that employee performance and development are directly aligned to service plans and targets.
- To encourage employees to continually develop their careers by offering learning opportunities.
- To help boost confidence, morale and performance ensuring everyone is empowered and has the skills and knowledge to help deliver organisational objectives to the appropriate standard.
- To build relationships, provide support, and keep individuals feeling valued, motivated and engaged.

The Joint Board’s definition of competence is the knowledge, skills, attitudes and behaviours required to carry out individual duties satisfactorily.

## 3.0 OUR COMMITMENTS

The Joint Board aims to provide high quality, transparent, effective and responsive services to all of our stakeholders. The effective development of our workforce will enhance the individual contributions our employees can make in achieving these aims.



Our performance is assessed continually, both internally and externally, and the Joint Board recognises the relationship between effective employee development and improvements in service performance.

The Joint Board recognises the importance of offering relevant training and development opportunities in providing job satisfaction to employees and in staff retention.

In embracing equality of access to development, the policy covers all employees whether they are working full-time, part time, job-share or other flexible working patterns. Organising development should always be sensitive to the various needs of our workforce.

Performance and development conversations will be used to help managers and employees identify individual development needs. Development needs may seek to improve job performance, comply with statutory requirements or improve career progression. Where appropriate needs have been identified, the Assessor and Depute will take reasonable measures to attempt to ensure that these needs are met.

Management will work towards creating an environment where all employees can contribute ideas to service improvement. A suggestion scheme is available and all suggestions are discussed at the regular Management Team Meetings. Working groups have been developed which encourage a culture of continuous improvement and life-long learning.

Every new employee will receive Induction Training in line with the Joint Board's 'Staff Induction Procedures'.

## **4.0 PERSONAL PERFORMANCE AND DEVELOPMENT CONVERSATIONS**

### **4.1 General**

Performance and development conversations will proceed on the basis of the Joint Board's service planning and priorities, as revised annually.

Each member of staff should have **at least** one conversation annually with their line manager, **though more frequent discussions are recommended**. In considering the frequency of the meetings the parties should take the demands of the service into account. Meetings should be scheduled in advance so that both parties can plan for the conversation and not miss out on the opportunity.

### **4.2 Preparing for the Conversation**

To get the most out of the conversation the following should be considered:

- The Meeting Environment – a room should be set aside for the purpose
- Prepare ahead of the meeting –notes of subjects to be discussed may be useful
- Review any relevant information – for example, previous meeting notes (if any), service plan, job descriptions, core training record etc;

### 4.3 The Content of the Conversation

The content of the conversations will vary from meeting to meeting depending on what is current and relevant at that time. Generally, conversations may include, but are not limited to:

- General workload and review of work being undertaken in relation to service plans;
- Agreement of aims/goals/targets for the coming year/period;
- Identification of and feedback on achievements;
- Review of progress and identification of areas for support;
- Challenges encountered;
- Development identified - linked, or in addition, to Core Training elements
- Review of any recent development undertaken or training events attended and the impact/benefit;
- How the employee's work fits in to the wider team;
- Areas of concern or uncertainty – employee's and/or manager's;

The conversations will also vary depending on which stage in the annual cycle they are taking place.

At the beginning of each year the focus should be on:-

- What is happening in the employee's service area in the upcoming year?
- How is the employee going to prepare for any changes?
- How can the employee make improvements to the delivery of the Board's services?
- Clarification of the main roles, responsibilities, expectations and behaviours of the employee which may be aligned with the Board's Performance Framework
- Discussion of priorities and goals for the upcoming year
- The support and development needed to achieve team and individual goals
- Any Core Training requirement for the upcoming year
- Other, formal or informal, training requirements for the year ahead
- How does each employee's role fit in with the updated Service Plan?

Throughout the year, formal or informal, conversations may include:-

- General workload review discussions
- Discussion of challenges and how they can be overcome
- Feedback on accomplishments
- Discussion of ongoing tasks and new developments
- Review of the agreed aims/objectives
- 2-way feedback between employee and manager.

At the end of the year, conversations should include review of:-

- The successes over the year
- The challenges that have been encountered and how they were overcome
- The training undertaken
- How any training has helped the employee in the role
- The employee's overall performance

#### **4.4 Supporting Tools**

The following are available to support the Personal Performance and Development Conversations

- Performance and Development Records template (see below and Appendix 1) – not every conversation needs to be formally recorded but a record, including the 'End of Year Overall Review', must be completed for each employee annually.
- Job Profiles
- The Board's Service Plan and Annual Calendar, as revised annually.
- Core Training Framework
- The Joint Board Performance Framework
- Relevant organisational targets and objectives
- Relevant performance metrics
- Personal Development Plan database

#### **4.5 Recording the Conversations**

##### **4.5.1 The Personal Performance and Development Record**

The Personal Performance and Development Record template (Appendix 1) should be completed annually for each member of staff.

With regard to the above guidance, the employee and line manager should discuss, agree and record around 6-8 Objectives and Actions for the forthcoming year, though this can be varied in either direction as agreed by the parties. These should be arrived at having considered the relevant Job Description, Performance Framework, Service Plan, and any organisational objectives for the year ahead. Similarly, any behaviours and skills which will be required to meet the objectives and actions should be recorded.

Any training and/or development that will assist with the achievement of the agreed objectives or provide appropriate career advancement opportunities should be agreed and recorded on the Personal Performance and Development Record. The training thus identified will generally NOT include Core Training elements unless an employee is new to a post or a refresher is required.

#### 4.5.2 The Personal Development Plan (PDP) system/database

The agreed training and development needs, plus any Core Training required for the year in question, should be entered onto the Personal Development Plan (PDP) system, along with suggested actions to meet the development need.

A link to the PDP system can be provided by contacting the Systems Officer and a Guide to using the system can be found on the system's menu page by clicking the button marked 'guide'.

The completed PDP should be electronically signed by both parties.

Where agreement on a development need or suggested action cannot be reached, the item should be included in the Plan and brought to the attention of, and decided upon by, the Depute Assessor.

Having regard to service priorities, available budget and course availability, the Depute will seek to identify relevant training /development opportunities and relay these to both employees and their line managers.

#### **4.6 Interim Conversations**

It is recommended that an interim review meeting should take place approximately 6 months after the initial Performance & Development Conversation. The on line PDP system should be updated to reflect progress with the agreed plan and to reflect any other identified training or training that has been undertaken. Notwithstanding the recommendation that this step is a regular part of the process, other conversations and meetings may take place throughout the year at which any of the topics referred to at 4.3 above can be discussed and any progress or review of actions may be recorded on the Personal Performance Management and Development Record.

#### **4.7 Year-end Reviews**

Before or at the following year's Performance and Development Conversations, an end of year review should take place.

The purpose of this review will be to:-

- Review achievement of, and progress towards, the Aims and Objectives agreed at the start of the year
- Identify any areas where the Aims and Objectives have not been achieved or only partly achieved and to consider any reasons for that.
- Review the benefits (or not) of any training undertaken in achieving goals and objectives.
- Review any unfulfilled training requirement and consider whether to carry this forward to the following year's plan. Any core training that was not completed

should be notified to the Depute Assessor along with reasons for it not being completed.

The review should be carried out in an honest and evidenced fashion and should be recorded in the final section of the Personal Performance and Development Record. Where the record, including the end-of-year Evaluation, is fully agreed, both parties should sign the Record and retain a copy for their own records.

Where the Record cannot be agreed, any point of disagreement should be included in the signed Personal Performance and Development Record and should be escalated to the Depute Assessor & ERO for further consideration and/or action.

## **5.0 EVALUATING LEARNING AND DEVELOPMENT**

Anyone attending a learning or development event will:-

- Attend at the directed times, treating the event with as much importance as any other business event.
- Have a post event discussion with their manager about how areas covered can be implemented back in the workplace to improve performance. Employees should complete a Training and Development Evaluation Form (See Appendix 2). This should be submitted to the Depute Assessor for review of the appropriateness of the event, and a copy retained within the employee's personnel file.

## **6.0 REVIEW**

This Policy will be reviewed at least every 3 years.

## EMPLOYEE PERFORMANCE &amp; DEVELOPMENT RECORD



## 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

Job Holder details

<b>Name</b>		<b>Reporting period</b>			
<b>Job Title</b>		<b>Review meeting dates</b>			
<b>Section</b>					

Line Manager details

<b>Name</b>		<b>Job Title</b>	
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	<b>Agreed Objectives</b> Think of your day-to-day work, review your job description, the service plan, and performance framework then outline your key objectives including any targets, measures and timelines for the forthcoming year.	<b>Development Requested/Support need agreed</b> This can be any training and support which would assist in achieving objectives or help develop your personal behaviours, skills or knowledge. These should be <u>over and above</u> the VJB 'Core Training'	<b>Outcomes and Achievements</b> This should include detail of progress, achievements, and any agreed improvement actions or changes to the objectives. Supporting evidence should be included.	<b>Manager comments</b> Objective Achieved/ Pending etc plus any supporting narrative or evidence of achievement
<b>Objectives and Actions to support DABVJB key aims and activities</b>				
1				
2				
3				
4				
5				
6				
7				
8				
<b>Behaviours, Skills and Knowledge to support personal development</b>				
1				
2				
3				

**End of Year - Overall Review**

*The line manager should use this section to set out their observation of the individual's overall performance, briefly explaining the extent to which the objectives for the year have been achieved, any major strengths in performance and, where relevant, potential areas for development should be highlighted*

**(i) Performance Review**

- Exceeds expectation
- Meets expectation
- Partially meets expectation
- Does not meet expectation

**(ii) Line manager comments – *to complement/support/ explain the above review***

**(iii) Individual comments – *the individual should be invited to comment below***

*When the above form is completed it should be signed and a copy retained by both parties. Where agreement has not be reached, the Record should be signed by both parties and provided to the Depute Assessor & ERO.*

**Line manager:..... Date: .....**

**Individual jobholder.....**

**Date: .....**



## Training and Development Evaluation Form

The learner should complete this evaluation with their Manager. Keep copies and use for discussion in 1-1 meetings or as part of normal service improvement meetings. **\*\*Please complete within 7 days of event.**

Name \_\_\_\_\_ Job Title \_\_\_\_\_

Event Title \_\_\_\_\_ Venue \_\_\_\_\_ Date \_\_\_\_\_

### Section 1: Evaluating the initial benefits of the event (see Pre-Event Discussion form)

Were personal objectives met?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
What will you do differently as a consequence of this training?		
How long do you think it will take to get service improvement results?	<input type="checkbox"/> Immediately <input type="checkbox"/> Short-term (1-6 months) <input type="checkbox"/> Long Term (6+ months)	
	Comment on your choice	

Section 2: Event Feedback	Strongly Disagree	Disagree	Agree	Strongly Agree
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<b>Content</b> delivered the outcomes required to meet my training needs.	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5	<input type="checkbox"/> 6	<input type="checkbox"/> 7	<input type="checkbox"/> 8
<b>Course Leader/Trainer</b> was well prepared, interesting and inspiring.	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5	<input type="checkbox"/> 6	<input type="checkbox"/> 7	<input type="checkbox"/> 8
<b>Participation</b> was encouraged. Plenty of opportunity for discussion and questions.	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5	<input type="checkbox"/> 6	<input type="checkbox"/> 7	<input type="checkbox"/> 8
<b>Overall</b> , the event was worth attending	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5	<input type="checkbox"/> 6	<input type="checkbox"/> 7	<input type="checkbox"/> 8

\* If you scored 4 or less, consider this as part of your general action planning discussions

### Section 3: Action Plan

Key actions	How (methods and key people)	Target Dates

Please set a date to review the actions agreed e.g. Training and Development meeting

Signed Off \_\_\_\_\_ Employee \_\_\_\_\_ Manager