

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

At a Meeting of the Dunbartonshire and Argyll & Bute Valuation Joint Board held in the Victoria Halls, Sinclair Street, Helensburgh on Friday, 21 November 2014 at 11.00 a.m.

**Present:** Donald MacMillan, John McAlpine and Richard Trail, Argyll & Bute Council; Councillors John Jamieson\* and Vaughan Moody, East Dunbartonshire Council; and Councillors Jim Brown and Kath Ryall, West Dunbartonshire Council.

\*Arrived later in the meeting.

**Attending:** David Thomson, Assessor & Electoral Registration Officer; Robert Nicol, Depute Assessor & Electoral Registration Officer; June Nelson-Hamilton, Principal Administration Officer; Gillian McNeilly, Finance Manager; Joanne Thomson, Finance Officer and Nuala Quinn-Ross, Committee Officer.

**Apologies:** Apologies for absence were intimated on behalf of Councillors Billy Hendry and Jim Gibbons, East Dunbartonshire Council; Councillors Jonathan McColl and Tommy Rainey, West Dunbartonshire Council and Elaine Boyd and Laurence Slavin, Audit Scotland.

**Councillor Jim Brown in the Chair**

### **DECLARATIONS OF INTEREST**

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

### **PRESENTATION – INDIVIDUAL ELECTORAL REGISTRATION**

A presentation was given by the Assessor & Electoral Registration Officer and the Principal Administration Officer providing further information on Individual Electoral Registration and how it affects the work of the Electoral Registration Officers.

Both Officers were heard in further explanation of the presentation and in answer to Members' questions.

The Chair, Councillor Brown thanked the Assessor & Electoral Registration Officer and the Principal Administration Officer for the informative presentation.

Note:- Councillor John Jamieson, East Dunbartonshire Council, arrived during the above presentation.

## **MINUTES OF PREVIOUS MEETINGS**

### **(a) Dunbartonshire and Argyll & Bute Valuation Joint Board**

The Minutes of Meeting of the Dunbartonshire and Argyll & Bute Valuation Joint Board held on 20 June 2014 were submitted and approved as a correct record subject to the following amendment:-

The sentence under the heading “Best Value – Service Planning” which reads:-

*“The Joint Board requested that the Assessor and Electoral Registration Officer consider a more truncated format for future report to the Board.”*

be moved to become the last paragraph under the heading “Best Value – Risk Management Update”.

### **(b) Dunbartonshire and Argyll & Bute Valuation Joint Board Finance Sub-Committee**

The Minutes of Meeting of the Dunbartonshire and Argyll & Bute Valuation Joint Board Finance Sub-Committee held on 24 September 2014 were submitted and approved as a correct record.

## **ELECTORAL REGISTRATION PROGRESS**

A report was submitted by the Assessor & Electoral Registration Officer providing an update of the current position in relation to Electoral Registration.

Having heard the Assessor & Electoral Registration Officer and the Principal Administration Officer in further explanation of the report and in answer to Members’ questions, the Joint Board agreed to note the contents of the report.

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

A report was submitted by the Assessor & Electoral Registration Officer advising of progress in relation to the Assessor’s Non-Domestic Rating Valuation and Council Tax Valuation functions.

Having heard the Assessor & Electoral Registration Officer in further explanation of the report and in answer to Members’ questions, the Joint Board agreed to note:-

- (1) the progress in relation to the disposal of 2005 and 2010 cycle Non-Domestic Rates appeals;
- (2) that planning for the 2017 Non-Domestic Rate Revaluation has commenced;
- (3) the progress in relation to maintenance of the Valuation Roll and the Council Tax Valuation Lists;
- (4) the progress in relation to the disposal of Council Tax appeals; and
- (5) that the review of certain properties in the Bishopbriggs area is drawing to a close.

### **PERSONNEL POLICY – RIGHT TO REQUEST FLEXIBLE WORKING**

A report was submitted by the Assessor & Electoral Registration Officer seeking approval of a new Right to Request Flexible Working Policy.

Having heard the Assessor & Electoral Registration Officer and the Principal Administration Officer in further explanation of the report and in answer to Members' questions, the Joint Board agreed to the implementation of the Right to Request Flexible Working Policy.

### **PUBLIC SECTOR EQUALITY DUTY – IMPROVING EQUALITY OUTCOMES PROJECT**

A report was submitted by the Assessor & Electoral Registration Officer seeking approval of replacement Equality Outcomes for implementation within the Valuation Joint Board.

Having heard the Assessor & Electoral Registration Officer and Depute Assessor & Electoral Registration Officer in further explanation of the report and in answer to Members' questions, the Joint Board agreed to approve the revised Public Sector Equality Duty report.

### **DEFALCATION PROCEDURES – STRATEGY FOR THE PREVENTION AND DETECTION OF FRAUD AND CORRUPTION**

A report was submitted by the Assessor & Electoral Registration Officer seeking approval of a new 'Strategy for the Prevention and Detection of Fraud and Corruption' for implementation within the Valuation Joint Board.

Having heard the Assessor & Electoral Registration Officer in further explanation of the report, the Joint Board agreed to approve the "Strategy for the Prevention of Defection of Fraud and Corruption".

## **ADJOURNMENT**

After hearing Councillor Brown, the Joint Board agreed to adjourn for a period of 5 minutes.

The meeting reconvened at 12.40 p.m. with all those Members shown on the sederunt in attendance.

### **AUDIT SCOTLAND'S FINAL AUDIT REPORT TO THOSE CHARGED WITH GOVERNANCE 2013/2014**

A report was submitted by the Treasurer to the Valuation Joint Board advising of Audit Scotland's report on the audit of the Joint Board's accounts for 2013/14.

The Joint Board agreed:-

- (1) to note that the Joint Board had received an unqualified audit opinion on the accounts for 2013/14;
- (2) to note the one key matter arising from the report to those charged with governance; and
- (3) to note the Audit Scotland's recommendation and the Officer's agreed action.

### **ANNUAL REPORT AND FINAL ACCOUNTS – YEAR ENDING 31 MARCH 2014**

A report was submitted by the Treasurer to the Valuation Joint Board presenting the audited annual report and final accounts for the year ending 31 March 2014.

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

- (1) to note that the Joint Board received an unqualified audit opinion in relation to the financial statements for the financial year 2013/14; and
- (2) to note the financial statements for the year to 31 March 2014.

### **REVENUE & CAPITAL BUDGETARY CONTROL REPORT TO 30 SEPTEMBER 2014**

A report was submitted by the Treasurer to the Valuation Joint Board advising on the progress of both the revenue budget 2014/15 and the 2014/15 capital programme.

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

- (1) to note the favourable revenue variance of £112,831 (4% of the total budget);
- (2) to note the 2014/15 budgetary position of the capital account;
- (3) to note that the anticipated 2014/15 unearmarked Capital Account balance of £50,822 is likely to be carried forward in 2015/16.

### **REVENUE ESTIMATES 2015/2016**

A report was submitted by the Treasurer to the Valuation Joint Board seeking approval of the draft revenue estimates for 2015/16 and the level of constituent contribution.

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

- (1) the draft revenue budget for 2015/2016;
- (2) that the surplus as at 31 March 2015 be carried forward into 2015/16 and be used over the next few years to help meet the budget gap;
- (3) to note the indicative budgets for 2016/17 and 2017/18; and
- (4) to note the requisition based on each Council's Grant Aided Expenditure figures with the apportionment being as identified at 6.1 of the report.

### **CAPITAL ESTIMATES 2015/16**

A report was submitted by the Treasurer to the Valuation Joint Board seeking approval of the draft capital estimate for 2015/16.

The Joint Board agreed:-

- (1) the 2015/16 Capital Plan of £30,850; and
- (2) that the unearmarked resources in the 2014/15 Capital budget be carried forward into 2015/16 Capital Plan; and
- (3) to note that no Capital Requisition is required from constituent authorities for 2015/16.

### **CHAIR'S REMARKS**

The Chair, Councillor Brown, on behalf of the Joint Board, thanked Joanne Thomson, Finance Officer for the work she had undertaken in preparing the Joint Board's accounts.

The Chair, on behalf of the Joint Board, also expressed his thanks to the Joint Board staff for their extra effort in the running of the Scottish Independence Referendum in September.

#### **DATE OF FUTURE MEETING**

It was agreed that the next meeting of the Dunbartonshire and Argyll & Bute Valuation Joint Board would be held on Friday, 12 June 2015 at the Council Chambers, Southbank Marina, Kirkintilloch.

The meeting closed at 1.05 p.m.

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# DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD

Report by Assessor & Electoral Registration Officer

Valuation Joint Board – 12 June 2015

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**Subject: Electoral Registration**

## **1.0 Purpose**

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

## **2.0 Background**

The report provided to the Joint Board at the last meeting on 21<sup>st</sup> November 2014 referred to the monthly register updates, the 2014/15 IER Transitional Write-Out, the Scottish Independence Referendum, Electoral Registration Performance Standards, the Fifth Review of Local Government Electoral Arrangements, the by- elections for Oban North and Lorn and South Kintyre wards in Argyll and Bute and also Community Council elections in Oban and Bute.

## **3.0 Current Position**

### **3.1 2014/15 Individual Electoral Registration (IER) Transitional 'Canvass'**

Subsequent to the confirmation live run and initial write-out stages of the transition to IER, which were reported to the Board in November 2014, we followed up our initial contact with electors by means of reminders and a door-to-door canvass.

Form returns were significantly down on previous years making the reminder and door-to-door stages of the process much more onerous than in the past. Automated responses via telephone, internet and sms/text reply to household forms were not available to electors during the transition to IER, which may partly explain the reduced return rates.

Despite the above, the 'write-out' phase was completed on schedule and the Electoral Registers were published on 27<sup>th</sup> February 2015.

Every household was issued with a Household Notification Letter advising them of the electors who were registered therein at publication and inviting them to advise us of any changes. This did lead to an increase in enquiries and contacts from electors and has helped improve the accuracy of the registers.

### **3.2 Register Updates/Rolling Registration**

In line with the normal running roll update timetable and in compliance with the pre-election publication requirements, the published Register was updated

on 1<sup>st</sup> April, 9<sup>th</sup> April, 16<sup>th</sup> April and 29<sup>th</sup> April, prior to the General election on 7<sup>th</sup> May 2015. Between 1<sup>st</sup> April and 29<sup>th</sup> April 2015 there were 6,533 additions, 4,282 deletions and 1,978 amendments made to the register.

Since the revised Register was published on 27<sup>th</sup> February 2015, we have issued 2,991 individual voter registration forms as part of our duty to identify potential new electors by using other information sources.

Where the ERO believes that a person is not entitled to be registered he must carry out a 'Review' by writing to the elector advising the reason for his opinion and also advise them that they have 14 calendar days from the date of the notice to request a hearing, otherwise their name will be removed from the register. As at 3<sup>rd</sup> April 2015 we had carried out 1,477 Reviews.

### 3.3 The Preparation for the 2015 Canvass

- 3.3.1 The 2015 canvass will start on 31<sup>st</sup> July 2015, with publication of the revised register by 1<sup>st</sup> December 2015. While this will be the second stage of the transition to Individual Electoral Registration (IER), it will be the first comprehensive canvass since the transition began on 19<sup>th</sup> September 2014. There is also a possibility that this may be the last canvass during the transition to IER. The transition is scheduled to end in December 2016, but the UK Government has indicated a mindedness to make an Order that the end of transition to IER be brought forward to December 2015. The Electoral Commission (EC) will make a recommendation in June to inform the UK Government's decision.

In addition to capturing information about recent home movers and those not otherwise identified through any local records, the canvass will provide an opportunity for the ERO to encourage as many existing electors, who are still not registered individually, to successfully complete an individual registration application. The number of electors who were on the register but still not registered individually are shown below:

	At publication (27 <sup>th</sup> February)	At UKPGE (7 <sup>th</sup> May)
Argyll and Bute	2,966	2,314
East Dunbartonshire	3,126	2,606
West Dunbartonshire	3,071	2,697
<b>Total</b>	<b>9,163</b>	<b>7,617</b>

If the transition to IER ends in December 2015, any electors on the register who have not made an individual application to register will be removed from the register. If the transition ends in December 2016 they will be removed then.

- 3.3.2 Tender bids have been requested from four companies (Adare Limited, Critiqom, Royal Mail and Whistl) to provide the print and mail services for the canvass. Following an initial issue and, where relevant, a reminder, a door-to-door canvass will be carried out for non-responders. The number of canvassers required for the 2014/15 partial canvass increased from 25 in the



2013/14 canvass to 31 and, with a return to a full canvass in the autumn of this year, it is likely that we will need to “scale up” our canvasser resources to match the anticipated amount of follow-up activity.

We plan to offer responses via telephone, internet and short message service/text reply for the forthcoming canvass but vendors have not yet made clear what products and services they will be offering. These services were not available to electors during the 2014/15 transition to IER

To date, the Cabinet Office has provided direct funding for many of the additional costs of IER but their grant funding for 2015/16 falls short of the expected requirement and no commitment to fund IER has been made beyond March 2016. This is reported on separately for today’s Board meeting.

- 3.3.3 The Scottish Government introduced a Bill into the Scottish Parliament in April 2015 which will lower the voting age to 16 for Scottish Parliamentary and local government elections from May 2016, and make provision in relation to registration to give effect to that.

Our electoral registration operating software (Eros) will require to be updated and we will populate it with information on 14 and 15 year olds which will be collected through the autumn 2015 canvass. It is proposed to capture this information on a single Household Enquiry Form (HEF). The Scottish Government is working with Cabinet Office and the Electoral Commission to make minor amendments to the HEF in Scotland. The modified HEF will collect data on anyone aged 14 or over. 14 and 15 year olds will not be required to provide a National Insurance Number when making applications – rather they will have a separate verification process.

#### **4.0 Fifth Review Of Local Government Electoral Arrangements**

At time of writing, the Boundary Commission is in the process of consulting with councils on its proposals for the number and boundaries of wards. This two month statutory period is due to finish on the 19<sup>th</sup> May. Following this there will be a twelve week public consultation period during July to October. The Commission expects to make its recommendations to Scottish Ministers in 2016, and the resulting wards will be effected for the local government elections in May 2017.

#### **5.0 UK Parliamentary Election**

The UK Parliamentary election took place on Thursday 7<sup>th</sup> May. The introduction of IER resulted in considerable change to the arrangements for registration and the processes for handling postal and proxy voting applications in the run up to the election. It is to the credit of staff and the methodical nature of our preparations that election registers were properly produced and that the election passed without any significant issues arising regarding the quality of Electoral Registers.

#### **6.0 Council By-Elections/Community Council Elections**

6.1.1 Mr John Armour (Scottish National Party) was elected as a Councillor for the South Kintyre ward of Argyll and Bute Council following a by-election on Thursday 11th December.

6.1.2 Community Council by-elections took place as follows:-

27<sup>th</sup> November 2014

Oban

Bute

16<sup>th</sup> April 2015

Mull

Lismore

Campbeltown

12<sup>th</sup> March 2015

Linnvale and Drumry

11<sup>th</sup> June 2015

Bonhill and Dalmonach

Dalmuir and Mountblow

## **7.0 General**

The last 18 months have brought an inordinate amount of activity and change in electoral registration. Since May last year we have administered the European Parliamentary elections, dealt with the huge peak in registration activity in the run up to the Scottish Independence Referendum, Implemented IER the very next day, carried out a vastly different form of canvass, published outwith our normal cycles and delivered the registers for the UK Parliamentary elections. It is quite clear that this could not have been achieved without a huge effort from the staff involved.

## **8.0 Recommendation**

Members are asked to:-

(a) note the content of this report, and

(b) acknowledge the outstanding efforts of staff in recent months.

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

Report by Assessor & Electoral Registration Officer

Valuation Joint Board – 12 June 2015

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## **Subject: Non-Domestic Rating and Council Tax Valuation Progress**

### **1.0 Purpose**

- 1.1 To advise members of the Joint Board of progress in relation to the Assessor's Non-Domestic Rating (NDR) Valuation function.
- 1.2 To advise members of the Joint Board of progress in relation to the Assessor's Council Tax Valuation function.
- 1.3 To advise members of the establishment by the Scottish Government of a Commission to review alternatives to Council Tax.

### **2.0 Background**

- 2.1 The Assessor is required to carry out a general Revaluation of all Non-domestic properties every five years (subject to the comments at 2.6 below). The 2010 Revaluation took effect on 1st April 2010, based on valuation levels at 1st April 2008. The Revaluation Roll contained some 12,353 subjects with a total Rateable Value of £318,467,634.
- 2.2 By the closing date for making appeals against entries in the Revaluation Roll, 3,391 appeals had been submitted against the values of 3,248 subjects. Revaluation appeals required to be cited for Valuation Appeal Committee hearing by 30<sup>th</sup> June 2013 and be disposed of by the Committee by 31st December 2013. Only such appeals as had been referred to the Lands Tribunal or appealed to the Lands Valuation Appeal Court remain outstanding.
- 2.3 At the start of 2014/15, 45 appeals which were made against values in the 2005 Valuation Roll remained outstanding. These had been referred to the Lands Tribunal for hearing.
- 2.4 The Assessor is required to maintain the Valuation Roll for his area by amending it to reflect a number of circumstances including physical changes to properties. Any such change to the Valuation Roll may be appealed by relevant parties.
- 2.5 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.

- 2.6 The Non-Domestic Revaluation scheduled for 2015 was postponed by Ministerial Order for a period of 2 years. Thus the next Revaluation will be effective from 1<sup>st</sup> April 2017, based on a valuation date of 1<sup>st</sup> April 2015.

### **3.0 Current Position**

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

##### **3.1.1 Revaluation 2005**

The majority of the outstanding appeals relate to entries for Mobile Telecommunication Networks. During 2013/14 the Lands Valuation Appeal Court heard 'sample' or 'lead' cases in respect of this category of subjects and their decision was issued in May 2014. Consequent to that decision a number of appeals have been dealt with during the year and only 26 now remain outstanding. Progress in relation to the remaining appeal for a gas utility subject is dependent upon outcomes in England.

##### **3.1.2 Revaluation 2010**

At the end of the 2014/15 financial year, 41 Revaluation appeals remained outstanding all of which have been referred to the Lands Tribunal. None have, as yet, been cited or scheduled for Hearing.

##### **3.1.3 2010 'Running Roll' Appeals**

In addition to the Revaluation appeals referred to above, a total of 4,958 appeals have been submitted since the valuation roll was made up, the majority of which refer to the difficult economic situation.

Progress in the disposal of this category of appeals has been good, however, with 195 outstanding at 31<sup>st</sup> March 2015.

##### **3.1.4 Maintenance of the Valuation Roll**

In the 6 months from October 2014 to March 2015, 480 changes were made to the Valuation Roll to reflect new, deleted and amended properties, bringing the total for the financial year to 950.

##### **3.1.5 2017 Revaluation**

The working expectation is that revised Net Annual and Rateable Values will require to be delivered to the Scottish Government around August 2016. An internal Revaluation 2017 Project Team has been established under the chairmanship of the Depute Assessor and it has had several planning meetings. A planning timetable has been agreed by the group.

Local analysis of rentals, costs and other relevant information will commence shortly and valuations are expected to commence in the autumn.

Additionally, staff have been involved in various Scottish Assessors Association Committees and Working Groups in the design of relevant information gathering questionnaires for a wide range of subjects and will soon turn to the drafting of Valuation Practice Notes for national application.

### **3.2 Council Tax Valuation**

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

In the 6 months between October 2014 and March 2015, 669 new dwellings were added to the Council Tax Lists for the area, bringing the total number of additions to 1,269 in the financial year. In the same period 229 houses were deleted bringing deletions for the year to 676.

#### **3.2.2 Council Tax Proposals and Appeals**

135 proposals and appeals were outstanding at 30 September 2014 and in the 6 months to the end of the reporting year 96 were submitted. During that same period, 106 were disposed of, leaving 125 outstanding.

#### **3.2.3 Council Tax – the Future**

Shortly after the Scottish Independence Referendum in September 2014, the new First Minister announced the setting up of a cross-party, independent Commission to ‘look into fairer systems of local taxation’.

That Commission, which will report in the autumn of 2015, has now been established under the Co-Chairmanship of Local Government Minister Marco Biagi and President of COSLA Councillor David O'Neill. The remit of the Commission is “To identify and examine alternative systems of local taxation that would deliver a fairer system of local taxation to support the funding of services delivered by local government,” and it is scheduled to report in ‘the autumn’ of 2015. The Scottish Assessors Association has made a presentation on the current system to the Commission and it is likely to be requested to assist further in informing the Commission.

The Commission has issued a request for written evidence by 22 June 2015 and it is proposed that the Assessor contributes to this process by way of a Scottish Assessors’ Association submission.

## **4.0 Recommendations**

### **4.1 Members are asked to note:-**

- (a) progress in relation to the disposal of Non-Domestic Rates appeals,
- (b) that preparations for the 2017 NDR Revaluation has commenced
- (c) progress in relation to maintenance of the Valuation Roll and the Council Tax Valuation Lists,

- (d) progress in relation to the disposal of Council Tax appeals,
  - (e) that a Commission to consider alternative systems of local taxation has been established and that the Assessor will input to the consultation through the Scottish Assessors' Association.
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# **DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD**

Report by Assessor & Electoral Registration Officer

Valuation Joint Board – 12 June 2015

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**Subject: Best Value - Performance Reporting and Planning**

## **1.0 Purpose of Report**

- 1.1 To update the members of the Joint Board on progress in relation to Best Value and, in particular, to advise on external performance reports for the year 2014/15.
- 1.2 To seek approval of the Valuation KPI targets for 2015/16.

## **2.0 Background**

### **2.1 Best Value – General**

By placing a formal requirement on local authorities, including Valuation Joint Boards, to 'secure Best Value', The Local Government in Scotland Act 2003 created a statutory requirement to provide continuous improvement in public services.

### **2.2 Performance Monitoring/Key Performance Indicators**

#### **2.2.1 Performance in Valuation Functions**

Assessors have, for some years now, provided measures of, primarily, Council Tax List and Valuation Roll performance to the Scottish Government. These also form the basis of the Board's Public Performance Reports. The performance targets for 2014/15 were approved by the Board at its meeting on 20<sup>th</sup> June 2014.

#### **2.2.2 Performance in Electoral Registration Functions**

During 2008, the Electoral Commission (EC) exercised its powers to set and monitor performance standards for electoral registration services.

Performance standards for EROs were published in July 2008 and for several years annual self-assessments against these standards were submitted to the Commission.

### **3.0 Progress**

#### **3.1 Performance Monitoring/Key Performance Indicators (KPIs)**

##### **3.1.1 Performance in Valuation Functions**

The KPIs for the Joint Board area for the year 2014/15 have been compiled and are attached (Appendix 1).

Our performance in respect of maintenance of the Valuation Roll was up on 2013/14 and our target for changes within 3 months was exceeded. We did not achieve our target of making 94% of changes within 6 months but this was attributable, largely, to the requirement to amend Valuation Rolls late in the financial year to take effect to a decision of the Lands Valuation Appeal Court in respect of Mobile Telecommunication network entries.

In respect of maintenance of the Council Tax List our targets at both 3 and 6 months were achieved and our performance levels were up on the previous year.

Appendices 2(a) and 2(b) show performance over the period since the year 2000/01.

These statistics along with our targets for the year 2014/15 will be submitted to the Scottish Assessors' Association for collation and onward transmission to the Scottish Government.

##### **3.1.2 Performance in Electoral Registration Functions**

This year, and in light of the implementation of Individual Electoral Registration (IER), the annual self-assessment against 10 Performance Standards, which has been in place for a number of years, was suspended.

The EC did introduce 2 Performance Standards for the IER transition. IER Performance Standard 1 required EROs to illustrate that they understood the challenges in their registration areas and that they have developed a plan for engaging with residents which responded to these challenges. Standard 2 requires EROs to deliver an implementation plan and monitor progress to allow changes to be made along the way.

In 2013 the Commission confirmed that our plans demonstrated that we had a good understanding of the specific needs in Dunbartonshire and Argyll and Bute and that our engagement work was progressing well. There has been no further requirement to report in respect of either Standard since that time.

Several sets of statistics have, however, been provided to the EC as part of their assessment of the progress in relation to the implementation of IER.



## **4.0 Next Steps**

### **4.1 Performance Monitoring/Key Performance Indicators (KPIs)**

- 4.1.1 The proposed KPI targets for 2015/16 are presented today for approval (see Appendix 1). Performance will remain a regular item for consideration and scrutiny at Management Meetings and new management reports have been introduced which will further focus attention of these key performance areas.
- 4.1.2 The above KPIs will be included in our Public Performance Reports which will be reviewed before being posted on our web site.
- 4.1.3 The Electoral Commission are likely to develop new Performance Standards to align with the various stages of the implementation of IER and we will follow developments and take part in any consultations as appropriate.

## **5.0 Recommendations**

Members are asked to:

- (a) Note the performance in relation to the Valuation Roll and Council Tax List KPIs for 2014/15.
- (b) Approve the KPI targets for 2015/16.
- (c) To note the temporary suspension of Reporting against Performance Standards to the Electoral Commission.

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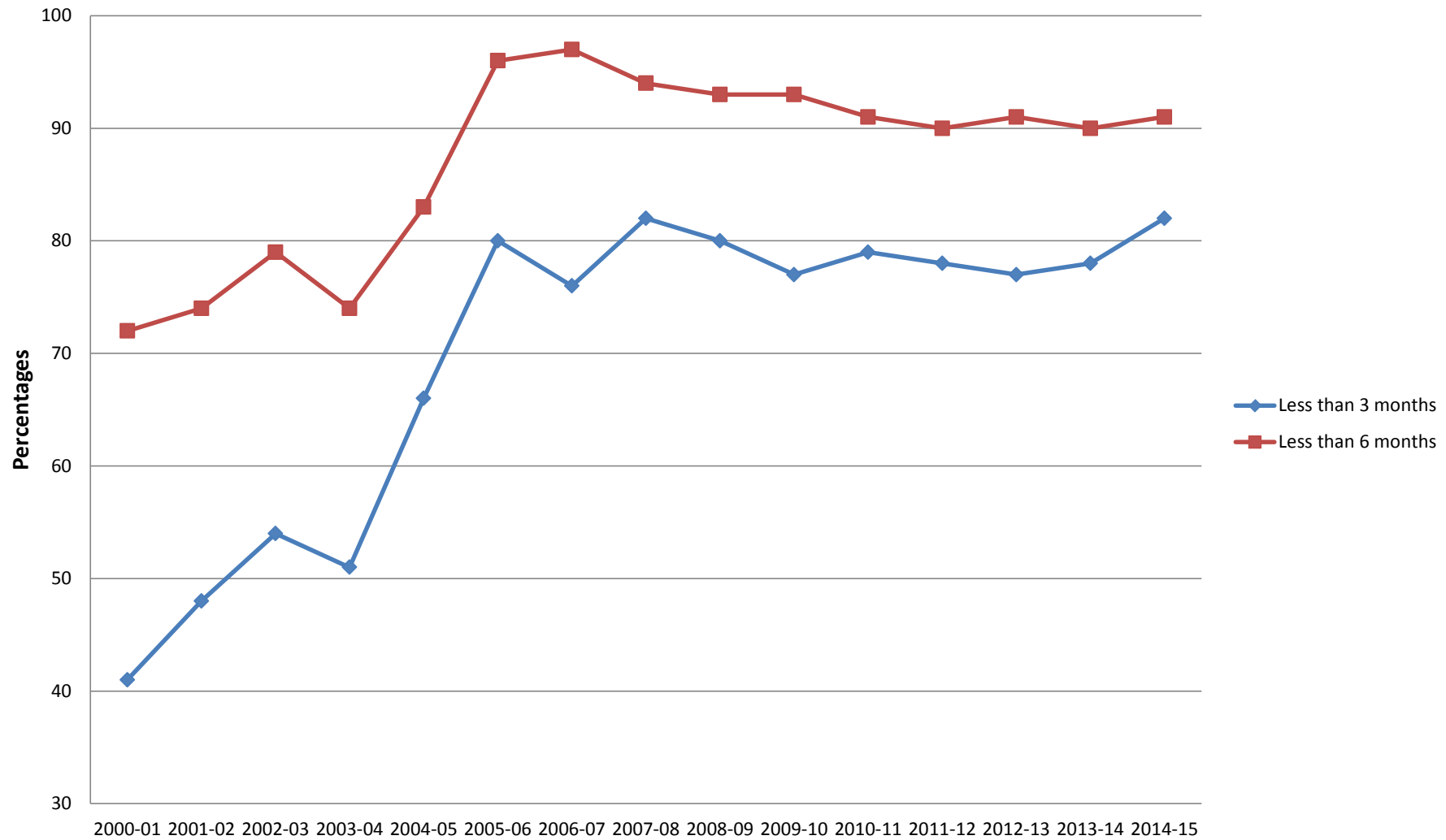
### **Appendices**

Appendix 1: KPI Statistics

Appendix 2(a): KPI trends – Valuation Roll

Appendix 2(b): KPI trends – Council Tax List

## Appendix 2a DABVJB - Valuation Roll KPIs 2000-2015





*Dunbartonshire and Argyll & Bute  
Valuation Joint Board*

## **Best Value - Performance Reporting and Planning**

### **KPI STATISTICS 2014/2015**

#### **Valuation Roll**

Total No of entries as @ 1<sup>st</sup> April 2014 13,207  
Total Rateable Value @ 1<sup>st</sup> April 2014 £328.2 million

During the year, 950 amendments were made to the Valuation Roll within the following periods

Period	Actual 2013/14	Target 2014/15	<b>Actual 2014/15</b>	Target 2015/16
0-3 months	78%	80%	<b>82%</b>	80%
3-6 months	12%	14%	<b>9%</b>	14%
>6 months	10%	6%	<b>9%</b>	6%

Total No of entries as @ 31<sup>st</sup> March 2015 13,564  
Total Rateable Value @ 31<sup>st</sup> March 2015 £328.7million

#### **Council Tax**

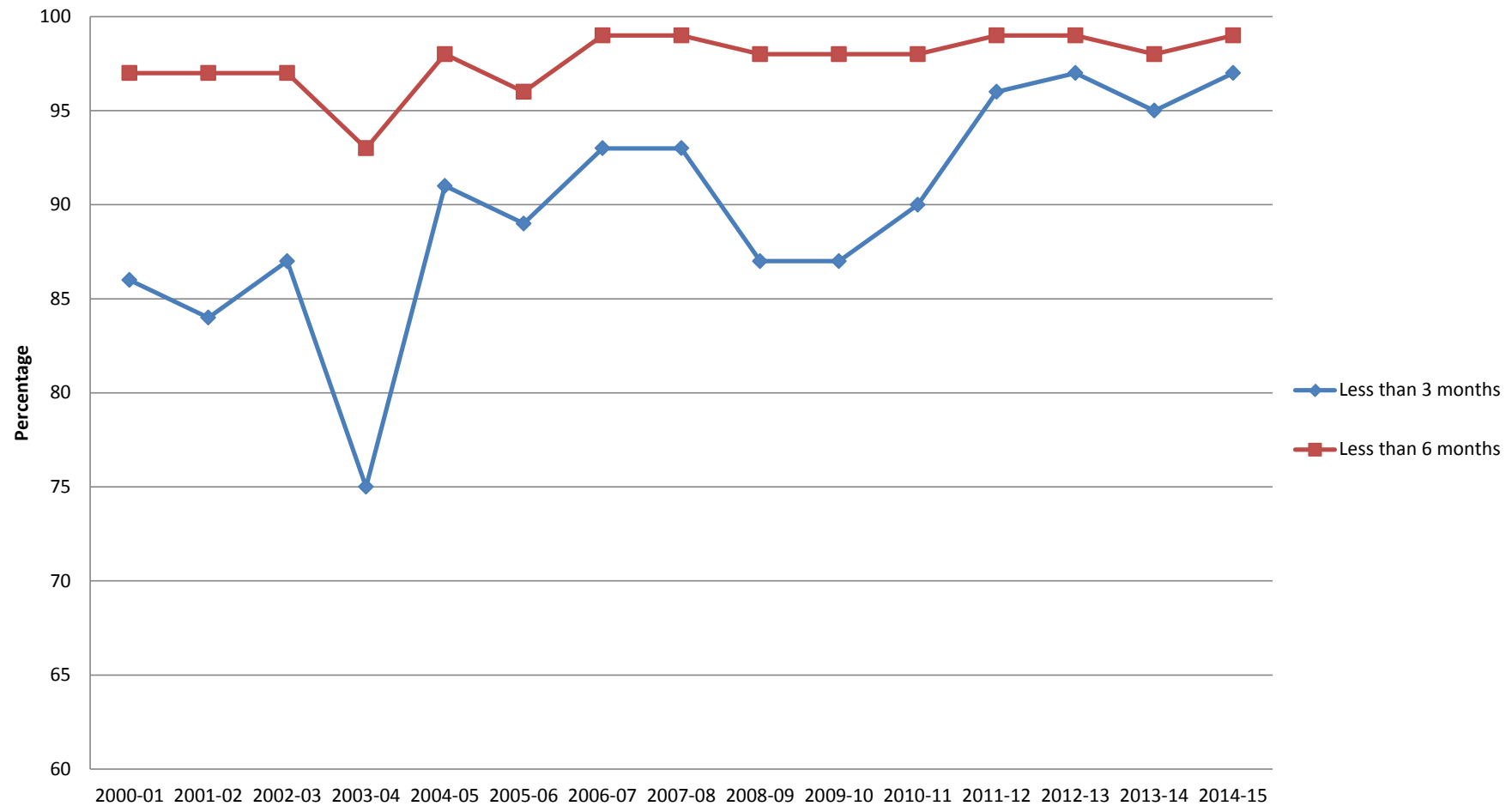
Total Number of entries @ 1<sup>st</sup> April 2014 142,593

1,269 new entries were added to the Valuation List within the following periods

Period	Actual 2013/14	Target 2014/15	<b>Actual 2014/15</b>	Target 2015/16
0-3 months	96%	95%	<b>97%</b>	95%
3-6 months	3%	3%	<b>2%</b>	3%
>6 months	1%	2%	<b>1%</b>	2%

Total Number of entries @ 31<sup>st</sup> March 2015 143,184

### **Appendix 2b DABVJB Council Tax KPIs 2000-2015**



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

Report by Assessor & Electoral Registration Officer

Valuation Joint Board – 12 June 2015

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**Subject: Best Value – Service Planning**

## **1.0 Purpose of Report**

1.1 To seek Joint Board approval of:-

- (a) the April 2015 update to the 2014-17 Service Plan, and
- (b) the Annual Service Calendar for 2015/16.

## **2.0 Background**

2.1 In June 2014 the Board approved a 3-year Service Plan for the period 2014-17 reflecting the strategic aims and the operational and legislative requirements of the organisation over that period.

## **3.0 Progress**

### **3.1 Service Plan**

An update to the Service Plan, which reflects the continually changing environment that the Joint Board operates within, has been agreed by the Management Team and is attached for Board Members consideration and approval (Appendix 1).

### **3.2 Annual Calendar**

An Annual Service Calendar which lays out the detailed operations and tasks for the 2015/16 year has also been agreed by the Management Team. It is attached (Appendix 2) for Members' consideration and approval.

## **4.0 Next Steps**

4.1 The Management Team will use the updated Service Plan and Annual Calendar to plan resources and will regularly monitor progress against them.

## **5.0 Recommendations**

Members are asked to approve:

- (a) The April 2015 update to the 2014-17 Service Plan and,
- (b) The Annual Service Calendar for 2015/16.

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Appendices

Appendix 1: April 2015 Update to Service Plan 2014-17  
Appendix 2: Annual Service Calendar 2015/16.



*Dunbartonshire and Argyll & Bute  
Valuation Joint Board*

**ASSESSOR AND ELECTORAL REGISTRATION OFFICER**

**SERVICE PLAN 2014-2017**

**April 2015 Update**

## **Background**

Dunbartonshire and Argyll & Bute Valuation Joint Board is committed to a three-year Service Planning Schedule. The most recent Service Plan approved by the Joint Board covers the period 2014-2017.

As the environment in which the Board operates is constantly changing, there is a need to review the Service Plan annually. Rather than produce a fully revised Plan, however, this 'Update' includes such changes and new tasks as have occurred or been identified since approval of the main document. It should therefore be read along with the main 2014-17 Service Plan. All references and numberings contained within this document refer back to the original Plan.

The Annual Calendar for 2015-16 will reflect the changes below.

## **PART ONE – SERVICE FUNCTION**

### **1.0 Introduction**

As at time of writing, the staffing complement stands at 56.40

Following the referendum in September 2014, the new First Minister announced the establishment of a cross-party, independent Commission on Alternative Systems of Local Government Taxation, with a view to replacing the current Council Tax system. The membership and the scope of the Commission were announced in February 2015 and the Commission will report in the autumn of 2015 with a view to informing the Manifestos of the various parties in advance of the 2016 Scottish Parliamentary elections. The future of Council Tax beyond 2016 is, therefore, very uncertain, though the working assumption is that the existing system will operate in its current format until at least March 2017.

Through the SAA, the Joint Board will help inform the Commission's review and will need to be ready to react to any change arising consequent to the review.

2014 saw the first stages in the transition to Individual Electoral Registration (IER). The Electoral Commission and the Cabinet Office are currently reviewing progress to date and will make decisions on the future of the system in the coming months. In particular it is not yet clear whether the registers published in December 2015 will be further 'transitional' registers or whether they will form the first step in the move to 'business as usual' under IER.

In either event a full annual canvass will require to be completed between July and November, though the VJB will need to remain sufficiently flexible to react to changing statutory processes, ministerial guidance, reporting requirements etc.

Following the publication of the Smith Commission report on further devolution of powers to the Scottish Parliament in November 2014, the Scottish and UK Governments have agreed that the legislation to extend the franchise to 16 and 17 year olds should be brought forward ahead of other areas in the Smith Commission



report. Accordingly, a sections 30 and 63 Order was laid in the Scottish Parliament on 20 January 2015 and agreed on 4 March, 2015.

Whilst the legislative and funding provisions are not yet known in detail, it is clear that the 2015 canvass will need to capture the relevant 'young people' for inclusion in the register. The VJB will work with the relevant stakeholders to plan the required changes in the period leading up to the start of the canvass.

### **1.1 Valuation Roll**

The total rateable value at 1<sup>st</sup> April 2015 is £328,674,455

1<sup>st</sup> April 2015 marks the 'tone date' for the 2017 Revaluation of all non-domestic property and, whilst some preparatory planning has already taken place, that date signals the real start of the Revaluation process and the direction of significant resource towards that end.

### **1.2 Valuation List**

At 1<sup>st</sup> April 2015 there were 143,184 properties in the Council Tax Valuation List for the Joint Board area.

### **1.3 Electoral Register**

At publication of registers on 27<sup>th</sup> February 2015, the total electorate for the Joint Board area was 223,594.

Whilst the transition to Individual Electoral Registration in 2014/15 brought about significant change to the 'annual canvass', 2015 should see a return to a more 'normal' canvass, albeit under different rules and requirements. At time of writing it is not yet clear what further change will be required but it appears the canvass period will return to the July - November period with publication taking place by 1<sup>st</sup> December 2015.

The canvass period and the eventual publication date may, however, be affected by the very real prospect of a 2<sup>nd</sup> general election being called during the year. The VJB will need to react as required to any such events as they unfold.

Indications from the Cabinet Office suggest that the grant funding to be provided for 2015/16 will be insufficient to meet the increased costs of IER. A 'needs-based' funding bid will, therefore, be submitted to the Cabinet Office during the year.

As stated in the Introduction, above, the canvass will need to capture young persons covered by the extension of the franchise for certain electoral events.

## **PART TWO – CORE OBJECTIVES**

### **2.1 Valuation Roll**

- 2.1.2 At time of writing, 45 appeals form Revaluation 2010 remain outstanding at the Lands Tribunal.
- 2.1.6 Subsequent to its consultation on Non-Domestic Rating in 2013, the Scottish Government conducted a further review of the appeals process during late 2014/early 2015. It is expected that any change proposed as a result of that consultation will require to be implemented in advance of the 2017 Revaluation.

### **2.2 Council Tax List**

- 2.2.3 The Bishopbriggs Council Tax appeals issue referred to in the 2014/17 Service Plan has largely been dealt with and proposals and appeals have returned to more 'normal' levels.

### **2.3 Electoral Register**

- 2.3.1 See above for comments and changes related to the ongoing implementation of IER. It is notable that the new process will NOT allow the confirmation of existing electors from 'other' local data sources. As this has been the case for up to 20% of the electorate in recent years, the new procedure will require much more in the way of direct follow-up where responses to canvass forms are not received. The likely outcome of that is that the door-to-door canvass will require significantly more resource than in recent years.
- 2.3.3 See above regarding the capture of 16-17year olds (and some 15 year olds) during the annual canvass.

### **2.4 Corporate Governance**

- 2.4.6 The Reporting Framework will require substantial review, in particular to take account of the changes to Electoral Registration and any new performance requirements of the Electoral Commission introduced during/following the implementation of IER.

### **2.5 Accountability**

- 2.5.4 See 2.4.6 above re changes to the Reporting Framework. The expected changes referred to above are likely to affect the Performance Reports that the Board makes available to the public.

### **2.10 Information Technology**

- 2.10.2 Our Unix and 2 x Local Area Network (LAN) servers will be replaced during 2015. The advice received from WDC was that a new, fixed, telecommunications line to Campbeltown was not an option which they could

support. Thus additional broadband width will be purchased and aggregated pending the roll-out of super fast broadband to the Campbeltown area.

2.10.3 A combination of the WDC Modernisation and Property Asset Rationalisation programmes will require the location of the Joint Board's back-up Electoral Management System server to be moved and a new fixed telecommunications line to be installed at its Clydebank office during 2015. The timing of these events will be confirmed in liaison with WDC.

2.10.6 The main improvement to the Assessor's 'Progress' system in advance of the 2017 Revaluation is the development of an 'Industrial Rental Analysis' system. At time of writing, this is in development and the timing of its delivery will be agreed with the Revaluation Project Team.

2.10.8 The EROS Electoral Management System will require further development to facilitate the extension of the Local Government and Scottish Parliamentary franchises. The system will need to be capable of capturing such new electors from July and publishing the registers in the required manner by December 2015.

## **2.12 Key Partnerships**

2.12.4 For the duration of its existence, the Scottish Assessors Association will be the Board's conduit into the considerations of the Commission on Alternative Systems of Local Government Taxation.

## **2.15 Miscellaneous**

2.15.1 As per 2.12.14, above, the Board will provide information and data to the Commission as requested and will submit comments (via the SAA) to any consultations which form part of the review.

2.15.4 It is emerging that West Dunbartonshire Council may be abolishing its Education Technical Service, a body which is currently a tenant of the Joint Board at its Clydebank office, in March 2016. Options for utilisation of the space and alternatives for replacing any lost income will be investigated. Further, Argyll & Bute Council have approved a plan to move out of Witchburn Road, Campbeltown which will mean that the Joint Board will need to secure alternative storage accommodation.

## **PART THREE**

### **KEY ACTIVITIES AND OUTCOMES**

#### **Key To Business Objectives**

The codes in the table below relate each Activity and Outcome contained in Part Three of the Service Plan to the relevant Business Objective(s) within the Joint Board's **Mission, Vision and Commitments** Statements.

<b>Number</b>	<b>Business Objective</b>
1	Compile the Valuation Roll
2	Compile the Council Tax Valuation List
3	Compile the Electoral Register
4	Maintain the Valuation Roll
5	Maintain the Council Tax Valuation List
6	Maintain the Electoral Register
	All of the above are underpinned by the aim of providing these services in a high quality, effective and responsive manner.
7	Listening and responding to Stakeholders needs
8	Valuing staff and providing them with opportunities to develop and contribute
9	Reacting innovatively to change
10	Treating all stakeholders in a fair, consistent manner and in accordance with equal opportunities requirements
11	Striving for continuous improvement in all aspects of service delivery
12	Ensuring that we are accessible and accountable to stakeholders
13	Pro-actively planning workloads and deploying resources
14	Using 'plain English'

### **3.1 THE VALUATION ROLL**

**3.1.1 Maintenance of the Valuation Roll** - As per 2014-17 Service Plan, though by the end of 2015/16 any change which is effected in the running roll may have to be replicated in the draft Revaluation Roll.

3.1.1 (I) Returns of Information/Owners Declarations should be issued in June 2015.

**3.1.2 Revaluation 2010 – Settlement of Appeals/3.1.3 Running Roll Appeals** - As per 2014-17 Service Plan

At April 2015 all Revaluation appeals had been disposed of or had been referred to the Lands Tribunal. The Assessor has no/little control over the timing or the procedures to be adopted in the disposal of these appeals.

**3.1.4 Revaluation 2017 (to include 3.1.5 Gas Utility)** - As per 2014-17 Service Plan, but see Separate Revaluation Timetable for more detail.

Note also that 3.1.4(a) – Complete post mortem of 2010 Revaluation is complete.

#### **3.1.6 Review of NDR Appeals Process**

The consultation on changes to the appeals process closed in March 2015. Any changes arising as a consequence will be addressed and timetabled as required.

**3.1.7 Review of Tribunals System** - As per 2014-17 Service Plan

### **3.2 THE COUNCIL TAX VALUATION LIST** – All as per 2014-17 Service Plan

### **3.3 THE ELECTORAL REGISTER**

#### **3.3.1 Annual Register of Electors**

Normally, the publication of new registers takes place by 1<sup>st</sup> December based on an annual canvass which extends from July– November. The start date will, however, be affected by ongoing changes to IER (forms re-design etc), the requirement to capture under-18s and so on. Thus at the time of writing it is impossible to be absolutely sure of a start date. For planning purposes, a working start date of 31st July will be adopted.

Note that the process of capturing ‘young persons’ has not yet been confirmed so 3.3.1 (f) may not be the agreed mechanism for completing this task.

Note also that, as things stand, 3.3.1 (i) will not be permitted under IER, though it is understood that Ministerial guidance may yet be changed to allow the process.

Item	Description	Objective(s)	Ownership	Date/Recurrence
(a)	Review canvass procedures, including door-to-door canvass, and telephone/Internet/SMS facility.	3,7,9,10,11,12,13	ERO/PAO	April/July
(b)	Invite tenders for printing and issuing canvass forms.	3,9,10,11,12,13,14	PAO	April
(c)	Award contract for above.	3,9,10,11,12,13,14	ERO/PAO	Mid May
(d)	Recruit door-to-door canvassers and order resources	3,8,9,10,13	PAO	June/July
(e)	Train door-to-door canvassers, and provide resources	3,8,10,11,13	PAO	Early September
(f)	Obtain potential 'attainer' information from education authorities and populate EROS as appropriate	3,6,9,10,11,12,13,14	Admin Supervisors	Annually pre-canvass start date
(g)	Prepare file of properties to be canvassed.	3,9	PAO/Admin Manager	July
(h)	Issue of HEF Forms (Initially) and ITR forms (subsequently) and, where appropriate, reminders to all households in accordance with annually established timetables.	3,9,10,11,12,13,14	PAO/Admin Manager /Admin Supervisors	31 <sup>st</sup> July - September
(i)	Check all initial non-returns to Council Tax and other data sources	3,9,10,11,13	Admin Supervisors	July- September
(j)	Complete door-to-door canvass in accordance with annually established timetables.	3,7,9,10,11,13	PAO/Admin Manager /Admin Supervisors	September – November
(k)	Collect and collate canvass returns, including door-to-door returns	3,7,9,10,11,13	PAO/Admin Manager /Admin Supervisors	August – November
(l)	Scan and reference canvass returns.	3,9,10,11,13	Admin Supervisors	August – November
(m)	Receive 'no-change' returns electronically from telephone/internet/SMS service returns	3,7,9,10,11,13	Admin Supervisors	August – November
(n)	Process changes, flags etc., including opt-outs, in EROS system and follow-up enquiries, absent vote applications etc.	3,9,10,11,13	Admin Supervisors	August – November
(o)	Check all changes to source document.	3,9,10,11,13	Admin Supervisors	August – November
(p)	Provide Senior Managers with canvass progress reports, including electronic service returns	3,9,11	Admin Manager	Fortnightly during canvass
(q)	Review of non-returns of annual canvass forms against Council's Council Taxpayer records, and remove where appropriate.	3,6,7,9,10,11,12,13	Admin Supervisors	Annually, September – November
(r)	Produce and publish 'Full/Electoral' and 'Edited/Open' Registers, in accordance with statutory timetables, for provision to Government Departments and sale to Credit Reference Agencies.	3,7,9,10,12,14	PAO/Admin Manager	By 1 <sup>st</sup> December
(s)	Timeous provision of Registers to appropriate bodies and places, including places of public display, in accordance with statute and EC Performance Requirements	3,7,9,10,12,14	Admin Supervisors	December
(t)	Answer all ad-hoc enquiries from current, past and potential electors in accordance	3,7,10,12,14	All relevant staff	Continuous

	with DAB VJB Working Practices.			
(u)	Maintain a record of sale and supply of registers in accordance with auditor requirements	7,10,12	Admin Supervisors	Continuous
(v)	Production of Electoral statistics to GROS in line with statutory requirement	7,11	Admin Manager	December
(x)	Provision of performance self-assessment and electoral performance statistics to Electoral Commission	7,9,11,12,13	PAO/Admin Manager	December or as requested
(y)	Maintain address Data Standards in EROS database	3,6,7,9,10,11,12,13	PAO	Ongoing

### **3.3.2 Maintenance of Register of Electors** - As per 2014-17 Service Plan

### **3.3.3 Extension of Franchise to 16 & 17 Year Olds**

At time of writing neither the approach to capturing the information for young persons nor the method of verification had been confirmed. Thus the steps required to effect the Policy intention cannot be detailed in full below.

Item	Description	Objective(s)	Ownership	Date/Recurrence
(a)	Liaise with Scottish Government regarding approach to new requirement and draft legislation	3,6,7,9,10,11,12,13, 14	ERO	April - July
(b)	Liaise with Halarose regarding developments to effect the above	3,6,7,9,11,12,13, 14	ERO/PAO	April - July
(c)	Install and test system upgrades as necessary to effect the above	3,6,7,9,11,12,13, 14	Systems Officer/ Electoral staff	On release
(d)	Agree and implement processes, including any engagement activities, to capture young persons	3,6,7,9,10,11,12,13, 14	PAO	To November
(e)	Capture information on young persons and add to electoral register in line with 3.3.1 above	3,6,7,9,10,11,12,13, 14	PAO/All electoral staff	August - November
(f)	Publish register including young persons	3,7,9,11,12,13, 14	ERO/PAO	By 1 <sup>st</sup> December
(g)	Implement processes to capture young persons during rolling registration	6,7,9,11,12,13, 14	PAO	From 1 <sup>st</sup> December

### **3.3.4 Elections** - As per 2014-17 Service Plan

In conjunction with the relevant ROs, detailed timetables and election plans have been drafted in relation to the planned election on 7<sup>th</sup> May 2015 and there is an awareness of the possibility of a poll at short notice if, as the polls suggest, there is no overall majority. Note also that the election plan for the May 2015 election deals with cross-boundary issues relating only to the UKPGE.

### **3.3.5/3.3.6 Absent Voters – Collection/Refresh of Personal Identifiers** - As per 2014-17 Service Plan

Note that the 5-yearly refresh of Absent Voter personal identifiers recommences in January 2016.

### **3.3.7 Individual Registration**

With IER having now been implemented, the majority of processes etc have been integrated into the normal workflows of the office. There are a number of specific issues, however, which merit separate consideration. The table below replaces the table at 3.3.7 in the 2014/17 Service Plan.

Item	Description	Objective(s)	Ownership	Date/Recurrence
(a)	Receive final funding indication from Cabinet Office	3,6,13	ERO	March/April 2015
(b)	Complete review of processes and procedures to ensure better spread of workload	3,6,9,11,12,13	PAO/Admin Manager/Supervisors	April 2015
(c )	Further cascade training in light of new processes and above review of workload	3,6,9,11,12,13	PAO/Admin Manager/Supervisors	April - July
(d)	Complete the consideration of clerical/admin staffing levels and grades	3,6,9,11,12,13	ERO/PAO	April
(e)	Recruit/promote staff in line with conclusions from the above	3,6,9,11,12,13	ERO/PAO	May - June
(f)	Collate and submit 'needs based' claim for funding to Cabinet Office	3,6,13	ERO/PAO	June- July
(g)	Ensure all relevant 'annual canvass' processes, including recruitment and training of canvassers, are in place as per 3.3.1 above	3,6,7,9,10,11,12,13	ERO/PAO	July – November
(h)	Carry out Door-to-door canvass as per 3.3.1 above	3,6,7,9,10,11,12,13	Admin Supervisors	September - November
(i)	Review staffing requirements for post-transition, business as usual, phase	3,6,7,9,10,11,12,13	ERO/PAO	October 2015
(j)	Final Transition and removal of carry-forwards	3,6,7,9,10,11,12,13	Admin Supervisors	December 2015

**3.3.8 Boundary Changes** - As per 2014-17 Service Plan but note that item 3.3.8(b), Implementation of Robroyston Boundary Review will be implemented at publication of registers in December 2015 to take effect at the 2016 Scottish Parliamentary Elections.

**3.3.9 ER Data Standards** - As per 2014-17 Service Plan

### **3.4 CORPORATE GOVERNANCE**

All as per 2014-17 Service Plan, but note, at 3.4.6, that the Reporting Framework will require substantial review to take account of the changes to Electoral Registration and any new performance requirements of the Electoral Commission introduced during/following the implementation of IER. As the new reporting requirements of IER are still developing/emerging this will be an ongoing review.



### **3.5 ACCOUNTABILITY**

All as per 2014-17 Service Plan but note that Public Performance Reporting (3.5.4(a) and 3.5.4(d)) is likely to be affected by changes to external reporting requirements for IER.

### **3.6 BEST VALUE**

All as per 2014-17 Service Plan, but note 3.4 and 3.5, above, regarding Public Performance Reporting. Note also that Staff Satisfaction Survey (at 3.6.4(i)) will be brought forward to May, following the UK Parliamentary Election.

### **3.7 EQUALITIES**

All as per 2014-17 Service Plan. Note specific requirement to Publish Progress and Mainstreaming Report in April 2015.

### **3.8 STAFFING AND PERSONNEL MATTERS**

All as per 2014-17 Service Plan but note 3.3.7(c) above re further training in IER processes and procedures. See further variations below.

#### **3.8.1 Development and Review of Personnel Policies**

Item	Description	Objective(s)	Ownership	Date/Recurrence
(f)	Review Pensions Discretions Policy and submit to Board for approval	7,8,9,10,13,14	Assessor	By June 2015

**3.8.3 Staffing Review** - See 3.6, above, in respect of the timing of the staff satisfaction survey.

### **3.9 FINANCE AND BUDGETING**

All as per 2014-17 Service Plan but note changes to timetabling of Accounts Preparation – below.

#### **3.9.7 Annual Accounts**

Item	Description	Objective(s)	Ownership	Date/Recurrence
(a)	Complete procedures as at 3.5.1 above, and contained in WDC Abstract of Accounts guidance notes	7,11,12,13	Depute/PAO/ Secretaries	Annually, April
(b)	Liaise with Treasurer/WDC Accountants in preparation of Annual Accounts	7,11,12,13	Assessor	Annually, April-May

(c)	Prepare provisional Annual Accounts for year	7,11,12,13	Treasurer	Annually, May
(d)	Submit Annual Accounts to Audit Scotland	7,11,12,13	Treasurer	Annually, May
(e)	Include Accounts in Annual Report and present to Valuation Joint Board	7,11,12,13,14	Assessor	Annually, June
(f)	Consider External Audit Report	7,11,12,13	Treasurer/Assessor	Annually, September
(g)	Implement any Actions from External Audit of Accounts	7,11,12,13	Treasurer/Assessor	Annually, September
(h)	Finance Sub-Committee meeting to receive and approve the audited financial statements before their final certification and submission to the Accounts Commission	7,12	Board/Clerk/ Treasurer	Annually, normally September
(i)	Present Final Accounts and External Audit Report, including any Action Plan, to Valuation Joint Board	7,11,12,13	Treasurer/Assessor	Annually, December

### **3.10 INFORMATION TECHNOLOGY**

#### **3.10.1 Business Systems Support**

As per 2014-17 Service Plan but noting that the IS Strategy (3.10.1(d)) will be updated in April 2015.

#### **3.10.2 ICT Asset Management**

As per 2014-17 Service Plan plus additional items below.

<b>Item</b>	<b>Description</b>	<b>Objective(s)</b>	<b>Ownership</b>	<b>Date/Recurrence</b>
(g)	Procure and install 2 x Local Area Network Servers	1-6,9,11,13	Depute Assessor/ WDC ICT	Jan – March 2016
(h)	Procure and install Unix Server	1,2,4,5,9,11,13	Depute Assessor/ WDC ICT	Jan – March 2016
(i)	Procure additional broadband lines to Campbeltown, along with relevant ancillaries, and implement further aggregation. (This replaces 3.10.2 (f) in original Service Plan)	1-6,8,9,11,13	Depute Assessor/ Systems officer/ WDC ICT	TB agreed with WDC
(j)	Review MFD/printing requirements and agree new provision/contracts	9,11,13	Depute Assessor	By October 2015
(k)	Test and Implement upgrade to MS Office Suite	9,11,13	Depute Assessor/Analyst /Programmer	TBC (will depend on outcome of testing)

#### **3.10.3 WDC Modernisation Programme**

The WDC Property Rationalisation and ICT Modernisation programmes have the following combined effects

Item	Description	Objective(s)	Ownership	Date/Recurrence
(a)	Move back-up EROS server to new location at Queens Quay	3,6,7,9,13	WDC ICT	TBC
(b)	Install and implement new fixed line communications between WDC and 235 Dumbarton Road	1-6,7,9,13	WDC ICT/ Contractors	TBC
(c)	Migrate remote workers to new two-factor authentication application	7,8,9,13	WDC ICT	TBC

**3.10.4 Data Protection** - As per 2014-17 Service Plan

**3.10.5 Freedom of Information** - As per 2014-17 Service Plan

### **3.10.6/3.10.7 Assessors Progress System**

As per 2014-17 Service Plan with following notes/variations:-

Item	Description	Objective(s)	Ownership	Date/Recurrence
(c)	Maintain and further develop system to meet agreed business requirements of internal working groups and Management Team.  More specifically, test and implement Industrial Rental Analysis module	1,2,4,5,7,8,9,11,13	Depute, Systems Officers, Analyst/Programmer  Analyst/Programmer	Up to Sept 2015  Spring/Summer 2015
(d)	Development system to provide new monthly KPI statistics	1,2,4,5,7,8,9,11,13	Depute, Analyst/Programmer	Complete
(f)	Develop and test system to provide additional flags required for Scottish Government funded Portal Data Improvements Project	1.2.4.5.7,8,9,11,12,13	Systems Officers, Analyst/Programmer	Complete
(g)	Gather and populate data required in respect of above	1.2.4.5.7,8,9,11,12,13	Divisional Assessors	Complete

### **3.10.8 EROS II Electoral System**

As per 2014-17 Service Plan, with following addition:-

Item	Description	Objective(s)	Ownership	Date/Recurrence
(g)	Liaise with Halarose and other stakeholders over requirements of extension to franchise to include under 18s.	3,6,7,9,11,12,13	ERO/PAO	April - July
(h)	Install and implement changes necessary to capture and manage under 18 year olds, in line with above extension of franchise	3,6,7,9,11,12,13	PAO/ Systems Officer	By July

**3.10.9 Satellite Systems** - As per 2014-17 Service Plan

**3.10.10 Assessors Portal Project** - As per 2014-17 Service Plan but note that items 3.10.10 (i) and (j) are complete.

**3.10.11 Web Site** - As per 2014-17 Service Plan

**3.10.12 Intranet** - As per 2014-17 Service Plan

**3.10.13 Development/implementation of Other Systems** - As per 2014-17 Service Plan but note that procurement and implementation of 'Apex Sketch' is unlikely to proceed.

**3.11 FREEDOM OF INFORMATION** - As per 2014-17 Service Plan but see additional reporting requirement below

**3.11.3 Freedom of Information Procedures**

Item	Description	Objective(s)	Ownership	Date/Recurrence
(g)	Report to Information Commissioner re FOI requests received	7,9,11,12,13	Depute Assessor	Quarterly

**3.12 KEY PARTNERSHIPS**

As per 2014-17 Service Plan except where noted below:-

**3.12.1(l) Support Services West Dunbartonshire Council:-** The Assessor is no longer invited to Corporate Services meetings in WDC.

**3.12.3(c) Scottish Assessors Association:-** The Assessor will not be a member of the Scottish Assessors Association Executive Committee after 27th May.

**3.12.4 Scottish Assessors Association Partners**

In light of note at 3.12.3 (c) above, Assessor will not take part in (a) Harmonisation, (d) Scottish Government, (j) Ratepayers Forum, and (k) Scottish Business Ratepayers Association meetings after 27<sup>th</sup> May.

See also addition below.

Item	Description	Objective(s)	Ownership	Date/Recurrence
(p)	Through the SAA, liaise with Commission on Alternatives to Council Tax, including provision of data on request.	7,9,12,13	Assessor	As required to 'Autumn' 2015

**3.12.7 Cabinet Office** - As per 2014-17 Service Plan but note that 3.12.7(f) is complete.

**3.12.8 (b) DABVJB Staff** – As per 2014/17 Service Plan but note at, 3.8.3(a) the timing of the staff survey has been moved to May in 2015.

**3.12.9 External Suppliers** - As per 2014-17 Service Plan with following variations

Item	Description	Objective(s)	Ownership	Date/Recurrence
(b)	Invite Tender Bids for printing of canvass stationery, printing and mailing	3,10,11,12,13	PAO	Annually, in May
(c)	Investigate options for print and mail services including specification of service required, preparation of procurement documentation, receipt of tenders and finalisation of contract.	3,10,11,12,13	ERO/PAO	May 2015
(e)	Meetings/Liaison with suppliers of fixtures and fittings, including Multi-Functional Devices (MFDs), scanners, letter openers, alarm systems , water supplies etc Specifically, review MFD provision	7,11,13 7,11,13	Depute/PAO Depute	As required October 2015
(f)	Review telephone suppliers and maintenance arrangements	1-6,7,8,9,11,12,13	Depute	Suppliers review complete April 2015

**3.13 RECORDS MANAGEMENT** - As per 2014-17 Service Plan

**3.14 CLIMATE CHANGE** - As per 2014-17 Service Plan

**3.15 MISCELLANEOUS** - As per 2014-17 Service Plan, except where shown below.

#### **3.15.1 Consultations**

Item	Description	Objective(s)	Ownership	Date/Recurrence
(a)	Provide input and assistance in preparation for any new regime associated with abolition of Council Tax and implementation of Local Income Tax.  See 3.12.4 (p) above re Commission on Alternatives to Council Tax	7,12,13	SAA/Assessor	Up to 'Autumn' 2015
(b)	Provide input/response to consultation on NDR Appeal System	3,6,9,11,13	SAA/Assessor	Completed

**3.15.3 Print and Mail Services** – see 3.12.9 (c) above.

**3.15.4 Council Asset Review/Rationalisation**

Item	Description	Objective(s)	Ownership	Date/Recurrence
(a)	Investigate options for utilisation of the space and alternatives for replacing any lost income at 235 Dumbarton Road, Clydebank	7,9,13	Assessor/Depute	Ongoing
(b)	Investigate options and secure alternative storage accommodation in Campbeltown.	1-6,7,9,13	Assessor/Depute/ DA/Admin Manager	Prior to September 2015



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# DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD

Report by Assessor & Electoral Registration Officer

Valuation Joint Board – 12th June 2015

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**Subject: Best Value – Audit Update**

## **1.0 Purpose of Report**

- 1.1 To present the Report of the Internal Audit of Non-Domestic Rating and Council Tax systems completed during 2014/15.
- 1.2 To advise members of the Audit Plan agreed with Audit Scotland during 2014/15.

## **2.0 Background**

- 2.1 The audit process supports the Joint Board's improvement efforts and management planning.
- 2.2 Internal Audit Services are provided by West Dunbartonshire Council.

## **3.0 Progress**

### **3.1 Internal Audit of the Joint Board**

- 3.1.1 During the early part of 2015, Internal Audit carried out a review of our Non-Valuation Roll and Council Tax List maintenance systems. In their report (see Appendix 1), which was presented on 1<sup>st</sup> May, auditors concluded that the systems examined were working effectively and noted that no adverse points arose during the audit review.
- 3.1.2 As a result, the audit report contains no Action Plan.

### **3.2 External Audit of the Joint Board – Audit Planning**

- 3.2.1 The finances of the Joint Board for 2014/15 will be audited by Audit Scotland who completed initial investigations into systems, including governance, during the year.
- 3.2.2 An Audit Plan (see Appendix 2) was completed which identified areas of potential risk to include:
  - **Financial Controls** –It was noted that, without proper controls, management could manipulate accounting records and prepare fraudulent financial statements.

- **Local Authority Accounts** – The Joint Board might not comply with the requirements of the new Local Authority Accounts (Scotland) Regulations.

3.2.3 The Audit Plan also contains the Sources of Assurance which are in place to mitigate these risks and the areas for audit activity in relation to the preparation of the 2014/15 accounts.

#### **4.0 Next Steps**

- 4.1 There are no actions outstanding from the Internal Audit of Non-Domestic Rating and Council Tax Systems.
- 4.2 Audit Scotland will test the assurances referred to at 3.2.3 above and report the extent of any risk in due course.

#### **5.0 Recommendations**

Members are asked to:

- (a) To note the contents of the Internal Audit of Non-Domestic Rating and Council Tax systems and that there were no actions arising.
- (b) To note the content of the 2014/15 External Audit Plan and the sources of assurance which are already in place to mitigate the potential risks identified.
- 

Person to contact:  
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#### Appendices

Appendix 1: Internal Audit Report on Non-Domestic Rating and Council Tax Systems  
Appendix 2: External Audit Plan 2014/15

**INTERNAL AUDIT SERVICES**  
**REPORT REF No S.012.15 (Apr 2015)**

**COUNCIL TAX & NDR VALUATION –  
NEW PROPERTIES**



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1.2	<b>Findings</b>	<b>2</b>

### **Personnel referred to in this report:**

<b>Robert Nicol:</b>	<b>Depute Assessor</b>
<b>Barry McEwan:</b>	<b>Divisional Assessor</b>

<b>Stephen McCafferty:</b>	<b>Auditor:</b>
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## **1. MAIN REPORT**

### **1.1 INTRODUCTION**

- 1.1 An audit was conducted on Council Tax and NDR Valuation – New Properties and we are pleased to report that the systems examined are working effectively.

### **2.2 SCOPE AND OBJECTIVES**

- 2.2.1 The auditor used a West Dunbartonshire Council Audit Programme to confirm the systems in place, with particular emphasis on the following:
- The Valuation List
  - Valuation of New and Amended Properties and notification of changes in valuations to the three local authorities (East Dunbartonshire, West Dunbartonshire and Argyll & Bute Councils)
- 2.2.2 The control objectives tested for the above in relation to transaction recording and processing were: authority, occurrence, calculation, timeliness and regularity.
- 2.2.3 An audit launch meeting was held with Robert Nicol, Depute Assessor and Barry McEwan, Divisional Assessor
- 2.2.4 Internal Control Questionnaires (ICQs) were completed to ascertain the systems in place by independently questioning Robert Nicol, Depute Assessor and Barry McEwan, Divisional Assessor
- 2.2.5 Compliance testing was carried out on the systems to confirm the responses given in the ICQs and that the control objectives were being met.

### **2.3 FINDINGS**

- 2.3.1 The findings are based upon evidence obtained from stratified sampling/ substantive testing.
- 2.3.2 The audit was conducted in conformance with the Public Sector Internal Audit Standards (PSIAS).
- 2.3.3 We are pleased to report that no adverse points arose during the audit review but stress that this is from the planned programme of work and does not cover areas not examined during this review.
- 2.3.4 Audit would like to thank all staff involved in the audit process for their time and assistance.



# **Dunbartonshire & Argyll and Bute Valuation Joint Board**

## **Annual Audit Plan 2014/15**

Prepared for Dunbartonshire & Argyll and Bute Valuation Joint Board

March 2015



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Audit Scotland is a statutory body set up in April 2000 under the Public Finance and Accountability (Scotland) Act 2000. We help the Auditor General for Scotland and the Accounts Commission check that organisations spending public money use it properly, efficiently and effectively.

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## Key contacts

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**Blyth Deans, Senior Auditor**  
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**Aimee MacDonald, Trainee Auditor**  
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**Audit Scotland**  
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**8 Nelson Mandela Place**  
**Glasgow**  
**G2 1BT**

**Switchboard: 0131 625 1500**



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# Summary

## Introduction

1. Our audit is focused on the identification and assessment of the risks of material misstatement in Dunbartonshire and Argyll and Bute Valuation Joint Board (“the Board”)’s financial statements.
  2. This report summarises the key challenges and risks facing the Board and sets out the audit work that we propose to undertake in 2014/15. Our plan reflects:
    - the risks and priorities facing the Board
    - current national risks that are relevant to local circumstances
    - the impact of changing international auditing and accounting standards
    - our responsibilities under the Code of Audit Practice as approved by the Auditor General for Scotland
    - issues brought forward from previous audit reports.
- they give a true and fair view of the state of affairs of the Board as at 31 March 2015 and its income and expenditure for the year then ended
  - the accounts have been properly prepared in accordance with the Local Government (Scotland) Act 1973 and the 2014/15 Code of Practice on Local Authority Accounting in the United Kingdom (the Code)
  - an audit of the financial statements
  - a review and assessment of the Board's governance and performance arrangements in a number of key areas

## Summary of planned audit activity

3. Our planned work in 2014/15 includes:
  - an audit of the financial statements and provision of an opinion on whether:

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# Responsibilities

4. The audit of the financial statements does not relieve management or the Finance Sub-Committee, as the body charged with governance, of their responsibilities.

## Responsibility of the appointed auditor

5. Our responsibilities, as independent auditor, are established by the Local Government (Scotland) Act 1973 and the Code of Audit Practice, and guided by the auditing profession's ethical guidance.
6. Auditors in the public sector give an independent opinion on the financial statements. We also review and report on the arrangements set in place by the audited body to ensure the proper conduct of its financial affairs and to manage its performance and use of resources. In doing this, we aim to support improvement and accountability.

## Responsibility of the Treasurer

7. It is the responsibility of the Treasurer, as the appointed "proper officer", to prepare the financial statements in accordance with relevant legislation and the Code of Practice on Local Authority Accounting in the United Kingdom (the Code). This means:

- maintaining proper accounting records
- preparing financial statements timeously which give a true and fair view of the state of affairs of the Board as at 31 March 2015 and its expenditure and income for the year then ended.

## Format of the accounts

8. The financial statements should be prepared in accordance with the Code which constitutes proper accounting practice.

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# Audit Approach

## Our approach

9. Our audit approach is based on an understanding of the characteristics, responsibilities, principal activities, risks and governance arrangements of the Board. We also consider the key audit risks and challenges in the local government sector generally. This approach includes:
- understanding the business of the Board and the risk exposure which could impact on the financial statements
  - assessing the key systems of internal control, and considering how risks in these systems could impact on the financial statements
  - identifying major transaction streams, balances and areas of estimation and understanding how the Board will include these in the financial statements
  - assessing and addressing the risk of material misstatement in the financial statements
  - determining the nature, timing and extent of the audit procedures necessary to provide us with sufficient audit evidence as to whether the financial statements give a true and fair view.
10. We have also considered and documented the sources of assurance which will make best use of our resources and allow us to focus audit testing on higher risk areas during the audit of the financial statements. The main areas of assurance for the audit come from planned management action and reliance on systems of internal control. Management action being relied on for 2014/15 includes:
- comprehensive closedown procedures for the financial statements accompanied by a timetable issued to all relevant staff
  - clear responsibilities for preparation of financial statements and the provision of supporting working papers
  - delivery of unaudited financial statements to agreed timescales with a comprehensive working papers package
  - completion of the internal audit programme for 2014/15.
11. Auditing standards require internal and external auditors to work closely together to make best use of available audit resources. We seek to rely on the work of internal audit wherever possible and as part of our planning process we carry out an early assessment of the internal audit function. Internal audit is provided by the internal audit section within West Dunbartonshire Council. Overall, we concluded that the internal audit service operates in accordance with Public Sector Internal Audit Standards (PSIAS) and has sound documentation standards and reporting procedures in place.

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12. We plan to place formal reliance on aspects of the work of internal audit in the following areas, to support our audit opinion on the financial statements:

- Council Tax & NDR valuation - new properties

## Materiality

13. International Standard on Auditing 320 provides guidance on the concept of materiality. We consider materiality and its relationship to audit risk when planning the nature, timing and extent of our audit and conducting our audit procedures. Specifically with regard to the financial statements, we assess the materiality of uncorrected misstatements, both individually and collectively.

14. Based on our knowledge and understanding of the Board we have set our planning materiality at 1% of gross expenditure. For 2014/15 planning materiality is £27,000.

15. We set a lower level, known as performance materiality, when defining our audit procedures. This level depends on professional judgement and is informed by a number of factors including:

- extent of estimation and judgement within the financial statements
- nature and extent of prior year misstatements
- extent of audit testing coverage.

16. For 2014/15 performance materiality has been set at £21,750. We will report, to those charged with governance, all misstatements greater than £1,500.

17. In addition, an inaccuracy which would not normally be regarded as material in terms of monetary value may be important for other reasons (for example the failure to achieve a statutory requirement, or an item contrary to law). In the event of such an item arising, its materiality has to be viewed in a narrower context; such matters would normally fall to be covered in an explanatory paragraph in the independent auditor's report.

## Reporting arrangements

18. The Local Authority Accounts (Scotland) Regulations 2014 require that the unaudited annual accounts are submitted to the appointed external auditor no later than 30 June each year. The Board or a committee whose remit includes audit or governance is required to consider the unaudited annual accounts at a meeting by 31 August.

19. The Board must publish the unaudited accounts on their website and give public notice of the inspection period.

20. The 2014 regulations require the Board (or a committee whose remit includes audit or governance) to meet by 30 September to consider whether to approve the audited annual accounts for signature. Immediately after approval, the annual accounts

require to be signed and dated by specified members and officers and then provided to the auditor. The Controller of Audit requires audit completion and issue of an independent auditor's report (opinion) by 30 September each year.

21. The Board is required to publish on its website its signed audited annual accounts, and the audit certificate, by 31 October. The annual audit report is required to be published on the website by 31 December.
22. An agreed timetable is included at Exhibit 1 below which takes account of submission requirements and planned Committee dates:

#### Exhibit 1: Financial statements audit timetable

Key stage	Date
Testing and review of internal control systems and transactions (reliance on audit work at the host Local Authority)	30/5/15
Meetings with officers to clarify expectations of working papers and financial system reports	31/3/15
Planned committee approval of unaudited financial statements	TBC
Submission of unaudited council financial statements with working papers package	TBC

Key stage	Date
Progress meetings with lead officers on emerging issues	Ongoing
Latest date for final clearance meeting with Treasurer	TBC
Agreement of unsigned financial statements for Audit Committee agenda, and issue of combined ISA 260report to those charged with governance and Annual Audit Report.	TBC
Finance Sub-Committee date	TBC
Independent auditors report signed	30/9/15

23. Matters arising from our audit will be reported on a timely basis and will include agreed action plans. Draft management reports will be issued to the relevant officers to confirm factual accuracy. Responses to draft reports are expected within four weeks of submission. A copy of all final agreed reports will be sent to the Treasurer, Assessor, Internal Audit and Audit Scotland's Performance Audit and Best Value Group.
24. We will provide an independent auditor's report to the Board and the Accounts Commission that the audit of the financial statements has been completed in accordance with applicable statutory requirements. As part of streamlining our audit approach, this year the Annual Audit Report will be combined

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with the ISA 260 report. As a result, the Annual Audit Report will be issued by 30 September which is one month earlier than previous years.

25. All annual audit reports produced are published on Audit Scotland's website: ([www.audit-scotland.gov.uk](http://www.audit-scotland.gov.uk)).

## Quality control

26. International Standard on Quality Control (UK and Ireland) 1 (ISQC1) requires that a system of quality control is established, as part of financial audit procedures, to provide reasonable assurance that professional standards and regulatory and legal requirements are being complied with and that the independent auditor's report or opinion is appropriate in the circumstances. The foundation of our quality framework is our Audit Guide, which incorporates the application of professional auditing, quality and ethical standards and the Code of Audit Practice issued by Audit Scotland and approved by the Accounts Commission. To ensure that we achieve the required quality standards, Audit Scotland conducts peer reviews and internal quality reviews and has been subject to a programme of external reviews by the Institute of Chartered Accountants of Scotland (ICAS).
27. As part of our commitment to quality and continuous improvement, Audit Scotland will periodically seek your views on the quality of our service provision. We do, however,

welcome feedback at any time and this may be directed to the engagement lead, Elaine Boyd.

## Independence and objectivity

28. Auditors appointed by the Accounts Commission must comply with the Code of Audit Practice. When auditing the financial statements, auditors must also comply with professional standards issued by the Auditing Practices Board (APB) and those of the professional accountancy bodies. These standards impose stringent rules to ensure the independence and objectivity of auditors. Audit Scotland has in place robust arrangements to ensure compliance with these standards including an annual "fit and proper" declaration for all members of staff. The arrangements are overseen by the Assistant Auditor General, who serves as Audit Scotland's Ethics Partner.
29. Auditing and ethical standards require the appointed auditor to communicate any relationships that may affect the independence and objectivity of audit staff. We are not aware of any such relationships pertaining to the audit of the Board.

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# Audit issues and risks

## Audit issues and risks

30. Based on our discussions with staff, attendance at committee meetings and a review of supporting information, we have identified the following main financial statements risk areas for your organisation.
31. **Management override of controls:** ISA 240 states that audit procedures should be responsive to risks related to management override of controls. We will design and perform audit procedures to address these risks within the Board.
32. **Local Authority Accounts (Scotland) Regulations 2014:** The Board is required to comply with the revised Local Authority Accounts (Scotland) Regulations 2014. The regulations require the Board to:
- conduct an annual review of the effectiveness of the Board's system of internal control and review the findings
  - operate a professional and objective internal auditing service and assess its efficiency and effectiveness annually.

33. We are currently in discussion with the Board and the host authority internal audit function to establish how they will satisfy these requirements.

## Summary assurance plan

34. The risk areas identified are summarised at Appendix II. In most cases, actions to manage these risks are either planned or already underway within the organisation. Details of the sources of assurance that we have received for each of these risks and any audit work we plan to undertake is also set out in Appendix II. In the period prior to the submission of the unaudited financial statements, we will liaise with senior officers on any new or emerging issues.

# Fees and resources

## Audit fee

35. Over the past four years, Audit Scotland has reduced audit fees by 23.5% in real terms, exceeding our 20% target. Due to further refinement of our audit approach we have been able to restrict the increase in audit fees for 2014/15 to 1% which, in real terms, represents a 0.6% reduction at 2014 price levels.
36. In determining the audit fee we have taken account of the risk exposure of the Board, the management assurances in place, and the level of reliance we plan to take from the work of internal audit. We have assumed receipt of a complete set of unaudited financial statements and comprehensive working papers package by 29<sup>th</sup> June 2015.
37. The agreed audit fee for the 2014/15 audit of the Board is £7,800. Our fee covers:
- the costs of planning, delivering and reporting the annual audit including auditor's attendance at committees
  - your organisation's allocation of the cost of national performance audits and statutory reports by the Accounts Commission
  - a contribution towards functions that support the local audit process (e.g. technical support and coordination of

the National Fraud Initiative), support costs and auditors' travel and subsistence expenses.

38. Where our audit cannot proceed as planned through, for example, late receipt of unaudited financial statements or being unable to take planned reliance from the work of internal audit, a supplementary fee may be levied. An additional fee may also be required in relation to any work or other significant exercises outwith our planned audit activity.

## Audit team

39. Elaine Boyd, Senior Audit Manager, Audit Services is your appointed auditor. The local audit team will be led by Blyth Deans who will be responsible for day to day management of the audit and who will be your primary contact. Details of the experience and skills of our team are provided in Exhibit 2. The core team will call on other specialist and support staff as necessary

### Exhibit 2: Audit team

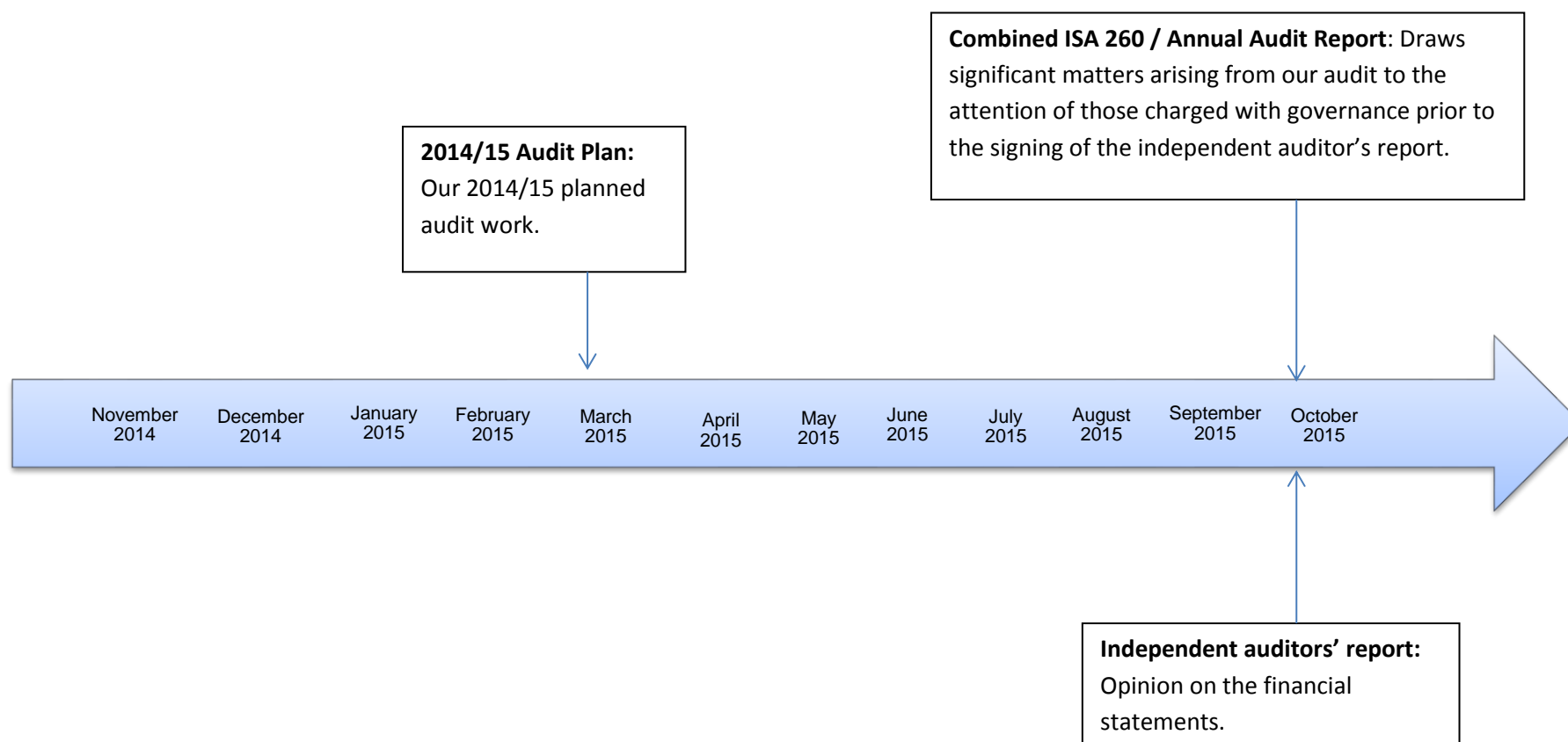
Name	Experience
Elaine Boyd FCCA, Senior Audit Manager	Elaine has thirteen years' experience of public sector audit with Audit Scotland, covering local government, health and central government. Prior to this, Elaine spent seven years in a financial



Name	Experience
	management and audit role within the public sector and seven years in private practice.
Blyth Deans CPFA, Senior Auditor	Blyth joined Audit Scotland in February 2009 and has six years public sector audit experience within the local government, health and central government sectors.
Aimee MacDonald, Trainee Auditor	Aimee joined Audit Scotland in October 2014 and will commence studying for the Institute of Chartered Accountant of Scotland qualification in September 2015.
Jim Cumming, Senior Auditor (ICT)	Jim has fourteen years experience of public sector ICT audit with Audit Scotland, covering local government, health and the central government sectors. Prior to working for Audit Scotland, Jim spent fifteen years in various IT development, quality, security, system administration and project management roles in engineering.

# Appendix I: Planned audit outputs

The diagram below shows the key outputs planned for the Board in 2014/15.



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# Appendix II: Significant audit risks

We undertake a risk-based audit whereby we focus on those areas where we have identified a risk of material misstatement in the accounts. This section shows how our audit approach focuses on the risks we have identified through our planning procedures. ISA 315 *Identifying and assessing the risks of material misstatement through understanding the entity and its environment* defines a significant risk as “an identified and assessed risk of material misstatement that, in the auditor’s judgement, requires special audit consideration.”

In this section we identify a range of risks facing the Board, the related source of assurance received and the audit work we propose to undertake to secure additional assurance. The management of risk is the responsibility of the Board and its officers, with the auditor’s role being to review the arrangements put in place by management. Planned audit work, therefore, will not necessarily address all residual risks.

Audit Risk	Source of assurance	Assurance procedure
<b>Audit risk of material misstatement in financial statements</b>		
<p><b>Management override of controls</b></p> <p>As stated in ISA 240, management is in a unique position to perpetrate fraud because of management's ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.</p>	<ul style="list-style-type: none"> <li>• Internal Audit Work assurance, risk and general system &amp; process checks</li> <li>• Budgetary Control Reporting throughout the year and the year end – particularly in relation to variance analysis.</li> <li>• Agreed consistent procedures (including separation of duties) and back up for year end accruals/prepayments/estimates/provisions/Independent checks completed at year end over larger transactions at periods 13 and 1.</li> <li>• Appropriate controls over virements and journal processing.</li> <li>• Adherence to financial regulations and financial management code of practice.</li> <li>• Adherence to code of conduct for employees including Officers who have a professional standing.</li> </ul>	<ul style="list-style-type: none"> <li>• Detailed testing of journal entries</li> <li>• Review of accounting estimates for bias</li> <li>• Evaluating significant transactions that are outside the normal course of business.</li> </ul>
<p><b>Local Authority Accounts (Scotland) Regulations 2014</b></p> <p>There is a risk that the Joint Board does not comply with the requirements of the new regulations.</p>	<ul style="list-style-type: none"> <li>• Compliance with CIPFA Code of Practice.</li> <li>• Finance staff are able to ensure their technical knowledge is up to date through their membership with CIPFA Finance Advisory Network; attendance at courses/conferences and technical bulletins provided by Audit Scotland.</li> </ul>	<ul style="list-style-type: none"> <li>• Testing of the Board's compliance with the requirements of the Local Authority Accounts (Scotland) Regulations 2014</li> </ul>



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

Report by Assessor & Electoral Registration Officer

Valuation Joint Board – 12 June 2015

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## **Subject: Best Value – Risk Management Update**

### **1.0 Purpose of Report**

- 1.1 To seek Board approval of the Joint Board's updated Risk Register.

### **2.0 Background**

- 2.1 Risk Management and Planning form vital parts of the Best Value and Performance Management and Planning process. The Joint Board's Risk Management Policy requires that the Risk Registers and Action Plans are revised annually.
- 2.2 At its meeting in June 2014 the Valuation Joint Board commented that the Risk Register presented for approval was far too lengthy and detailed for their purposes. Their preferred approach would be to see, and approve, a more Strategic Risk Register which highlighted the main areas of risk to the Board.
- 2.3 At that same meeting the auditors present confirmed that a change towards a more strategic Risk Register would also be their recommendation for reporting to the Joint Board

### **3.0 Progress**

- 3.1 At its annual review of risks in February, 2015 the Management Team agreed that the main risks to the Joint Board would be identified and included in a 'Board Risk Register'. This Board Risk Register would also contain the actions required or planned to mitigate the strategic risks. Other risks, including many of the risks in the existing Register, would be contained in an Operational Risk Register.
- 3.2 The revised Board Risk Register is presented (See Appendix) for approval today.
- 3.2 The Operational Risk Register and Risk Action Plan can be made available to members on request.

### **4.0 Next Steps**

- 4.1 The Management Team will continue to review changes to the risks and risk levels contained in the Risk Registers and will monitor progress against any outstanding actions on an ongoing basis.

## **5.0 Recommendations**

Members are asked to approve the Risk Register, including the actions shown therein, for 2015.

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Person to contact:

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### Appendices

Appendix 1 – Board Risk Register



*Dunbartonshire and Argyll & Bute  
Valuation Joint Board*

## **BOARD RISK REGISTER 2015**



## **Introduction**

At its meeting in June 2014 the Valuation Joint Board commented that the Risk Register presented for approval was far too lengthy and detailed for their purposes. Their preferred approach would be to see, and approve, a more Strategic Risk Register which highlighted the main areas of risk to the Board. At that same meeting the auditors present confirmed that a change towards a more strategic Risk Register would also be their recommendation for reporting to the Joint Board.

Thus, when the Management Team met for its annual review of the Corporate Risk Register on 23rd February 2015 it took the approach that the main risks to the Joint Board would be identified and included in a 'Board Risk Register'. Other risks, including many of the risks in the existing Register would be contained in an Operational Risk Register. Further, a number of additional registers continue to be maintained for a number of specific functional areas some of which are included in the list below.

<b>Specific Risk Registers</b>
Annual Electoral Canvass
Rolling Registration
Electoral Integrity
Electoral Awareness
Eros Electoral Management System
Implementation of Individual Electoral Registration

This document constitutes the Board Risk Register but, for consideration of the Board's full Risk Management Regime, reference should also be made to the Risk Management Strategy and these other documents referred to above.

## **Methodology**

The Assessor's Management Team is responsible for the annual review of the Board's Risk Registers and Action Plans, with the Board's approval being sought for the 'Board Register' on an annual basis. The Management Team takes collective ownership of the risks identified. Ownership of, and responsibility for, mitigating actions are identified in Action Plans.

At or before annual review workshops, managers, using their business experience and knowledge, identify the internal and external factors affecting, or likely to affect the service provision of DAB VJB.

Once risks have been identified they are systematically and accurately assessed. This process requires managers to judge:

- The probability of an event occurring
- The potential severity of the consequences should such an event occur

These can be evaluated using the definitions in the table below:-

<b><u>Likelihood</u></b> - "Probability of a risk event occurring"	<b><u>Impact</u></b> - "Severity of the consequences should such an event occur"
1. Unlikely but could happen (Low) 2. Likely to happen (Medium) 3. Very likely or already happening (High)	1.This will cause some problems but could be managed (Low) 2.This will cause significant delay or interruption to our services (Medium) 3. This could cause our services to fail (High)

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

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

**‘Risk Score’** in the tables below represents the extent of the risk (taken from the above table) to the Valuation Joint Board that would arise in an uncontrolled world i.e. if no actions were taken to mitigate the risk.

**‘Residual Risk’** in the tables below represents the extent of the real risk (also taken from the above table) to the Valuation Joint Board having taken the steps and/or mitigating actions included in the ‘Controls’ column.

Once the Risk Registers are completed, Action Plans, which contain the person responsible for carrying out the action and the target date for completion, are completed. Progress against Action Plans is reviewed regularly at Management Team Meetings with progress being recorded and any actions taken during any year being included as ‘Controls’ in future registers.

## Board Risk Register

Operational Area		All Functions			
<u>Risk Title/Description</u> Failure to comply with Legislation, including:- (a) Council Tax (b) Electoral Registration (c) Rating Valuation (d) Best Value, Health & Safety, Freedom of Information, Equalities etc					
Likelihood	3	Impact	3	Risk Score	9
<u>Controls</u> (a) <u>Council Tax</u> Professional staff, checking procedures, authorising signatories. Performance targets, monitoring and reporting. Regular supply of planning and development information from councils and sales info from RoS. Audit and control systems. Staff training and shadowing. Tailor made IT system. Review of procedures such as survey method, timetables for amendment of lists by Valuation Group. Retain copies of existing legislation and monitor all new legislation. Membership of SAA Domestic Subjects Committee. Awareness of relevant cases.  (b) <u>Electoral Registration</u> Appropriate staff, checking procedures, authorising signatories. Performance targets, monitoring and reporting. Audit and control systems. Staff training and shadowing. Tailor made IT system with input restrictions. Review of procedures such as canvass method by Electoral/Admin working group. Retain copies of existing legislation and monitor all new legislation. Membership and active involvement in SAA Electoral Registration Committee and AEA. Additional staff at peak times as required. Input to new legislation. Liaison with Electoral Commission. Compliance with ER legislation and good practice confirmed by 2006 and 2013 internal audits.  (c) <u>Rating Valuation</u> See CT legislation above. Collection of necessary rentals, costs etc. Involvement in variety of SAA Committees and application of SAA Practice Notes. Provide sufficient training. Monitor progress of running roll monthly. Revaluation group established and timetable in place.  (d) <u>Best Value, Health &amp; Safety, Freedom of Information, Equalities etc</u> Relevant Policies and processes are in place. Training and induction have been provided as appropriate and regular reports are provided to the Management Team and Joint Board as appropriate. Alternative language, translation, Braille etc facilities available. Customer Service appropriately monitored. Operational targets and monitoring in place. Compliance with Local Government Model Publication Scheme and Guide to Information confirmed in 2013. In line with above, much more information is now published on a pro-active basis. Fire Risk Assessments in force (and reviewed regularly). Fire and smoke detectors, intruder alarm system installed, routinely maintained and tested. Fire/evacuation drills completed. H&S Risk Assessments reviewed annually. Induction procedures in place. Lone Working arrangements in place with Safelocate phones in use by staff on survey. Training provided in First Aid Asbestos Awareness and Violence in the Workplace policies. Trained First Aiders in place. Annual PAT tests completed. H&S Task register in place. Core Training Plan created for all staff.					
Likelihood	1	Impact	4	Residual Risk	4
Action		Resp Person	Target Date	Progress	
(a) Council Tax					
Creation of Council Tax Guide		Valuation Group	Summer 2015	Currently in draft	

<b>(b) Electoral Registration</b>			
Maintain links to SAA, Scottish Government, AEA, Scotland Office, Electoral Commission and MOJ re changes in legislation. Respond to consultations etc.	ERO/ PAO	Ongoing	
Continue to review budgetary provision.	ERO	October	
<b>(c) Rating Valuation</b>			
Monitor Revaluation progress monthly – see Revaluation 2017 timetable	Assessor/ Reval Project Team	Ongoing	
<b>(d) Best Value, Health &amp; Safety, Freedom of Information, Equalities etc</b>			
Comply with Equalities reporting requirements.	Depute Assessor	April 2015	Training provided and Staff survey issued, March 2015.
All policies and procedures, including Core Training, to be subject to regular reviews	Assessor/ Man Team	As required	
Submit Records Management Plan prior to September 2015	Depute Assessor	Sept 2015	Template documents in place
Complete Annual Core Training	All Staff	Annually	

Operational Area		All Functions			
<b><u>Risk Title/Description</u></b>					
<b>The current economic climate, with its static or reduced incomes, brings a number of related financial risks, including increased expenditure and/or failure to meet statutory duties.</b>					
This risk is significantly exacerbated by the implementation of Individual Electoral Registration. Grant funding for 2015/16 is lower than expected/budgeted for and no grant funding is guaranteed beyond the 15/16 financial year.					
There is a risk that increased development and housing market activity recently add to workloads at a time when budgets are still subject to further restriction.					
Note also the resource implications of effecting the 2017 Revaluation.					
<b>Likelihood</b>	<b>3</b>	<b>Impact</b>	<b>3</b>	<b>Risk Score</b>	<b>9</b>
<b><u>Controls</u></b>					
Financial Regulations and Standing Orders in place and updated.					
Liaison with Treasurer and constituent councils, Statutory requirement to fund Assessor.					
Budget monitoring reports to MTM.					
Benefits of bulk/joint procurement through 'Scotland Excel' procurement consortium.					
Joint procurement of IS systems and services through WDC. Moved to 'We-Buy' procurement system.					
Inflation considered in budget process. Planned delays in recruitment where appropriate etc.					
Various money saving changes made.					
Retirements used as opportunities to restructure/reduce costs.					
Advance planning of processes and resources.					
Review of telephony costs completed.					
<b>Likelihood</b>	<b>2</b>	<b>Impact</b>	<b>3</b>	<b>Residual Risk</b>	<b>7</b>
<b>Action</b>	<b>Resp Person</b>		<b>Target Date</b>	<b>Progress</b>	
Legal advice if necessary.	Assessor		As required		
Continue to closely monitor budget spend and cost of various processes.	Assessor/ Man Team		Ongoing		
Implement further structural changes as required.	Assessor/ Man Team		As required		
Continue to consider each budget line for cut in budgetary planning. Continue to include inflationary uplift in budget process where appropriate.	Assessor		Annually, October	Full consideration given to operational requirements in drafting the approved 2015/16 budget which was approved by the Board on 21.11.14 along with indicative budgets for following years. Accrued surplus to be used to offset expenditure in forthcoming years.	
Planned delays in recruitment and retention of vacancies where necessary.	Assessor/ Man Team		As required		
Continue to review and plan processes in advance	Man Team		Ongoing		
Consider application for further 'needs based' funding from Cabinet Office for 2015/16.	ERO/ PAO		June/July 2015	PAO currently investigating funding mechanism	

Operational Area		Electoral Registration			
<b><u>Risk Title/Description</u></b>					
<b>The ongoing implementation of Individual Electoral Registration (IER), <u>with further change likely</u>, continues to provide major challenges to the organisation.</b>					
The risks could result in					
(a) Failure to comply with statutory obligations					
(b) Failure to provide satisfactory service to Electors and other stakeholders					
(c) Overspent expenditure					
(d) Reputational damage					
(e) Potential loss and other effects on staff					
Note that a separate risk register has been developed for IER.					
<b>Likelihood</b>	<b>3</b>	<b>Impact</b>	<b>3</b>	<b>Risk Score</b>	<b>9</b>
<b><u>Controls</u></b>					
Involvement in consultation – also via SAA and AEA.					
Increased expenditure taken account of in budget planning for 2015/16 but see Financial Risk at 2 above.					
EMS suppliers are contractually obliged to provide relevant functionality.					
New processes have been documented effected.					
Staff have been trained in legislation, procedures and systems.					
Participation Strategies in place.					
<b>Likelihood</b>	<b>2</b>	<b>Impact</b>	<b>3</b>	<b>Residual Risk</b>	<b>7</b>
<b>Action</b>	<b>Resp Person</b>		<b>Target Date</b>	<b>Progress</b>	
Actively monitor further proposed changes to legislation.	ERO/PAO		Ongoing		
Continue to actively manage and monitor expenditure. Seek increased contributions for Councils if required.	ERO		Ongoing		
Liaise with EMS suppliers in relation to reporting capabilities of the system.	PAO		Ongoing		
Revise processes, including all aspects of canvass, in light of experience - implement improvements and efficiencies. Consider review of staffing requirement in light of the above. Review guidance documentation and update as required.	PAO/S'visors		Spring 2015		
Provide further training for staff.	PAO/S'visors		Thr'out 2015		
Ensure adequate public engagement activities are planned and effected.	PAO		During canvass and as required		
Continue to work in partnership with ROs, SAA, AEA, printers etc.	ERO/PAO		Ongoing		

Operational Area		All Functions			
<u>Risk Title/Description</u>					
Loss of one or more of the VJB’s statutory functions.					
See 2014 announcement of Independent Commission to review alternatives to Council Tax.					
Scottish Government consultation on NDR and subsequent response confirmed commitment to the Non domestic rating system up to the 2017 Revaluation at least.					
Likelihood	2	Impact	2	Risk Score	5
<u>Controls</u>					
Statutory functions met continually.					
Expected Performance Standards are regularly met or surpassed.					
Customer satisfaction is at high levels.					
However, the potential to lose a service or services is largely beyond the control of the Assessor & ERO.					
Likelihood	2	Impact	2	Residual Risk	5
Action		Resp Person	Target Date	Progress	
Reply to consultation documents and draft legislation, formally and/or informally, via SAA. Maintain high profile with Government and officials.		Assessor	March 2015 and as req’d	SAA response to appeal consultation submitted March 2015	
Continue to promote professionalism and customer satisfaction.		All Staff	Ongoing		
Maintain good relationships with constituent councils.		Assessor/ ERO	Ongoing		

Operational Area		Electoral Registration			
Risk Title/Description					
Failure to develop and implement the proposed extension to the franchise for Local Government and Scottish Parliamentary elections.					
Note that, at the time of writing, the legislation to facilitate this was not in place and it was not expected until very close to the 2015 canvass, at which details of young persons will have to be collected. Thus there is a risk in planning for that process without knowing the legislative parameters within which we will be required to work. Further, neither the financial provision nor the IT systems are likely to be in place for some time.					
Likelihood	3	Impact	3	Risk Score	9
Controls					
Consultation with Scottish Government, through SAA and the Focus Group established for the purpose of implementing the changes. Scottish Government officials have engaged with, and promised funding for, EMS suppliers. Scottish Government commitment to fund additional costs. Lessons learned from implementation of YP register for Scottish Independence Referendum.					
Likelihood	3	Impact	2	Residual Risk	8*
Note: * The residual risk is currently high both for the above reasons and reflecting the very limited extent of control we have over the way legislation will develop. The risk will, however, diminish towards 1 as these issues are agreed and formalised.					
Action		Resp Person	Target Date	Progress	
Maintain awareness of developing situation.		ERO/	Ongoing	ERO has liaised with SG and Halarose re funding req'd changes.	
Liaison with Halarose to ensure EMS changes are implemented.		ERO/PAO	Ongoing	Lothian VJB to act as lead client.	
Implement relevant engagement activity as required.		ERO/PAO	Summer 2015		
Amend the canvass plan to capture young persons.		PAO	Summer 2015		
Publish registers as extended.		ERO/PAO	Dec 2015		
Implement rolling registration processes for young people.		ERO/PAO	Dec 2015		



Operational Area		All Functions			
<u>Risk Title/Description</u>					
Loss of Witchburn Road store.					
ABC have now approved a property rationalisation plan which could see them close Witchburn Road by September 2015					
Likelihood	3	Impact	2	Risk Score	8
<u>Controls</u>					
Documents have been scanned and are available and Electronic data 'Hub' established. Liaison with senior officers in Argyll & Bute Council, including ABC Estates Department, has commenced. Current user agreement requires joint agreement to dissolve the arrangement. Awareness that there are unoccupied (though not ideally suitable) properties in the locality of the Bolgam Street office which could be considered.					
Likelihood	1	Impact	2	Residual Risk	2
Action		Resp Person	Target Date	Progress	
Continue to review storage/filing requirements		Assessor/ Admin Manager	Up to Sept 2015		
Actively seek alternative accommodation, possibly through partnership working with ABC Estates Department. Review options as critical time gets closer.		Assessor	Up to Sept 2015	Initial meeting with ABC estates has taken place	
Seek legal advice if appropriate		Assessor	As required		
Board Members to consider lobbying ABC for alternative accommodation?		Board Members	As required		

# DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD

Report by Assessor & Electoral Registration Officer

Valuation Joint Board –12 June 2015

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**Subject: Best Value – Customer Service Update**

## **1.0 Purpose of Report**

- 1.1 To advise members of the results from the Customer Consultation process during 2014/15.
- 1.2 To report the results of the second year of operation of the new Complaints Procedure.

## **2.0 Background**

### **2.1 Customer Satisfaction Survey**

A key component of Best Value is consultation with stakeholders. A satisfaction survey of recent users of the Joint Board's services has been in place for some years.

### **2.2 Complaints Procedure**

At its meeting in November 2012, the Joint Board approved a new Complaints Procedure which was in line with the Public Sector Ombudsman's Model Complaints Handling Procedure.

## **3.0 Progress**

### **3.1 Customer Satisfaction Survey**

During the year 2014/15, recent users of the Joint Board's services were randomly sampled and issued with questionnaires seeking their perception of the service provided to them. A summary of the results is provided below and these show that:-

- By far the majority of our stakeholders (99%) find us professional, courteous and helpful.
- 67% of queries or transactions are completed at the first point of contact and only 3% of matters are not concluded to the satisfaction of the stakeholder.
- Most users of Joint Board services (97%) are satisfied with the information and/or advice provided to them.
- Very high satisfaction levels are being maintained on a year-to-year basis, as is shown in the summary over.

	Year							
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Survey Return Rate	26%	28%	25%	25%	23%	28%	27%	21%
Was the person with whom you communicated professional, courteous and helpful?	97%	97%	97%	98%	98%	97%	98%	99%
Was the matter brought to a satisfactory conclusion immediately?	58%	62%	58%	62%	58%	55%	63%	67%
Was the matter brought to a satisfactory conclusion?	95%	98%	97%	98%	98%	96%	98%	97%
Are you satisfied with the quality of the information or advice given to you?	95%	96%	96%	96%	96%	96%	98%	97%

Perhaps the one concern in this year's results is that the response rate dropped to a new low and we will consider ways of improving this in our annual review of the process.

No Customer Satisfaction forms were requested in alternative languages, Braille or other formats.

A breakdown of the returns which indicated the relevant protected characteristics is shown below.

Characteristic	Category	Percentage
Race	White	96.6%
	Non-white	3.4%
Gender	Male	48.8%
	Female	51.2%
Disability	Disabled	7.9%
	Able-bodied	92.1%
Sexual orientation	Heterosexual	96.4%
	Other	3.6%
Marital status	Married	57.3%
	Never Married	18.1%
	Other	24.6%
Age	16-21	0.9%
	22-30	8.1%
	31-40	15.2%
	41-50	16.6%
	51-60	24.2%
	61-65	13.0%
	66-70	10.8%
	70+	11.2%

Sample sizes within the various equalities groups were too small to draw firm conclusions. The results will be monitored further to ensure that we are carrying out our functions in a fair and equal manner.

### **3.2 Complaints Procedure**

In November 2012, the Joint Board approved a Complaints Procedure which was in line with the Public Sector Ombudsman's Model Complaints Handling Procedure.

There were a total of 21 Complaints received during 2014/15 with 20 relating to Electoral Registration and 1 relating to a Non-domestic Rating survey. 18 complaints were resolved at the frontline resolution stage with 3 being escalated to the investigation stage. One of the three investigations was abandoned due to lack of information and contact from the complainant. Opportunities to learn and change were raised in the following areas.

- The procedures for interpreting external sources of information and the wording of electoral 'Review' letters have been reviewed.
- We continue to review advice provided and publicity available around critical electoral cut-off dates.
- We will review the content of the letter used to request documentary evidence of identity for electoral registration purposes.

Unfortunately we are unable to react positively to some of the complaints made as the wording of correspondence issued and the processes required by Individual Electoral Registration are legislatively prescribed.

### **4.0 Next Steps**

- 4.1 Results of both the Customer Satisfaction Survey and the Complaints Procedure will continue to be used by the Management Team, where possible, to identify further improvement action.

### **5.0 Recommendations**

Members are asked to:

- (a) Note the positive results from the Customer Satisfaction Survey.
- (b) Note the results from, and the actions taken in respect of, the Complaints Procedure.

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

Report by Depute Assessor & Electoral Registration Officer

Valuation Joint Board – 12 June 2015

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## **Subject: Information Technology Strategy**

### **1.0 Purpose**

- 1.1 To seek members' approval of the Valuation Joint Board's Information Technology Strategy.

### **2.0 Background**

- 2.1 Information Technology plays a significant role in allowing the Assessor and Electoral Registration Officer and the Valuation Joint Board fulfil their Statutory Duties.
- 2.2 The Strategy provides direction and focus as changing technologies and business requirements evolve.

### **3.0 Progress**

- 3.1 The revised strategy has been created to improve the IT provision within the Joint Board and to coordinate how we work with our partner organisations and IT suppliers. It is attached at Appendix 1 for members' consideration.
- 3.2 The strategy will be reviewed by the Joint Board's IT Team on an ongoing basis and any changes reported to the management team. It will be brought before the Board at regular intervals or where a significant change is proposed.
- 3.3 The Appendices referred to in the report have been removed for security reasons but can be made available to members on request.

### **4.0 Recommendations**

- 4.1 It is recommended that the Board approve the attached IT Strategy.
- 

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*Dunbartonshire and Argyll & Bute  
Valuation Joint Board*

Dunbartonshire and Argyll & Bute Valuation Joint Board

IT Strategy

15th May 2015

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1. Introduction
2. Background
3. Need for a Strategy
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  - Hardware
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## **Appendices**

- A Network Topology
- B Expanded Topology for Halarose Application
- C Laptop Security
- D Computer Password Procedure

## 1. Introduction

The Dunbartonshire and Argyll & Bute Valuation Joint Board was established as part of the 1996 reorganisation of local government in terms of The Valuation Joint Boards (Scotland) Order 1995 and is vested with the functions of the three valuation authorities (Argyll & Bute, East Dunbartonshire and West Dunbartonshire Council) in the former Strathclyde Region. With the agreement of each of the three councils the Board also has responsibility for the Electoral Registration function.

The Valuation Joint Board aims to provide high quality, effective and responsive services to all of our stakeholders. Information Technology systems are employed throughout the Board to assist in achieving these aims.

Most IT services are dealt with by the IT Team consisting of a Systems Officer who organises and monitors workload for the Assistant Systems Officer and the Applications Officer. The Depute Assessor represents the IT Team at Management meetings. Regular meetings of the IT Team are held and the minute content considered by the Management Team.

Members of the IT Team also attend many of the working groups of the Board to ensure that their skills can be fully utilised.

West Dunbartonshire Council (WDC) ICT Service facilitates the networks, e-mail, the website, the Helpdesk, and assists in hardware and software procurement. Regular liaison meetings are held between the IT Team and WDC ICT.

The WDC ICT Service Desk is used to list tasks requiring WDC assistance or input.

The DAB-VJB Task Manager details all work to be carried out by the IT Team and also serves as a reporting tool.

The IT Team also assists in meeting the Boards commitments of consulting with stakeholders, providing staff with opportunities to develop, reacting innovatively to change, encouraging innovation, providing services in accordance with equalities requirements, striving for continuous improvement, ensuring accessibility, planning workloads, deploying resources efficiently and working with our partners to ensure consistency of approach to service delivery.

Other objectives of using ICT systems include:-

- providing tools and improvements which will drive business efficiency
- assisting with management planning through development, maintenance and improvements to reporting mechanisms
- providing more modern, user-friendly interfaces to relevant information and systems for staff and stakeholders.

A business and technical strategy is an investment in structural design, standards, and integration principles supported by hardware and software which match the needs of the organisation. There is a requirement for sound project management



methodology and the implementation of a managed test environment to ensure robustness of the solutions employed.

## **2. Background**

The UK and Scottish Governments have identified the need for responsive public services, firmly focused on the needs of those who use them, which ensure that those who need the most help receive the most help, in a way which meets their needs and expectations. Public services need to be provided in a well run, cost effective and innovative manner that improves standards while minimising costs and bureaucracy. Underpinning this expected environment is the need for the Valuation Joint Board to more effectively manage service delivery, and in particular the interfaces with the Communities, the three constituent Unitary Authorities, and the partners that it serves. Efficient and coherent IT systems are at the heart of all that we do to achieve this aim.

## **3. Need for a Strategy**

This strategy provides direction and focus as technology advances and the requirement for changes in processes continues. The strategy will:

- Support the day to day business of the Board and assist in the delivery of a high quality service
- Identify the competencies required for support and development
- Maintain partnerships with stakeholders

## **4. Existing Systems including Network Structure**

The Board has inherited communication protocols and application software from prior to 1996 when the Board was established. Since then various option appraisals have resulted in the retention, replacement, and development of some of the above.

The three functions of the Board utilise software as follows:

- Valuation Roll – The creation and maintenance of the Roll itself and the management of appeals are carried out on the ‘Progress’ Assessors System which was inherited from Strathclyde Regional Council. Currently fifty one percent of the valuations are carried out on Progress and the remainder on Microsoft Excel spreadsheets.
- Council Tax – The maintenance of the Council Tax Valuation List and the management of all proposals/appeals are also carried out within the Progress Assessors system which also holds physical attribute data for all dwellings in the VJB area.
- Electoral Registration – The processes required for the creation and maintenance of Electoral Registers are run on Eros, a specifically designed application procured from Halarose of Oxford. The Eros software is a comprehensive and combined electoral register and elections management database and as such allows electronic integration between the Electoral Registration Officer’s registration information and the offices of the Returning Officer of those constituent Councils which utilise EROS/Halarose applications.

Each of the above three functions are also supported by Microsoft Access and .Net databases which carry out processes as diverse as the logging of surveys, the recording of sales information, mail logging, financial management and customer satisfaction monitoring.

The current network topology can be found at appendix A with an expanded topology for the Halarose application, reflecting the shared nature of the system with our partner Returning Officers, at appendix B.

At the time of writing the following servers are in use within the VJB.

Server	Applications	Installed
Unix	Progress	June 2009
Eros	Eros	August 2014
EROS	EROS – Disaster Recovery Server	April 2012
Citrix Server	EROS Clients for Campbelltown staff. Operated by WDC.	April 2011
WDC E-mail Exchange server	E-mail	2010
Win2008 server	Both servers primary use is as domain controllers. However, these are also used as file share, and used for applications such as Microsoft Office, Cost Guide and GGP	July 2011
Win2008 server		August 2011
Win 2003 server	Flexi system	
Win 2003 server		
Appgate VPN server	Communications	August 2010

As illustrated at appendix A, the Board currently operates a thick client policy with each member of staff accessing all systems from a PC or laptop resulting in

- Fewer server requirements as the thick clients themselves do much of the application processing.
- Offline working. Thick clients have advantages in that a constant connection to the central server is not always required.
- Less bandwidth intensive.
- More flexibility, as some operating systems software products are designed for personal computers that have their own local resources.
- Best use of existing infrastructure. As we now have very fast local PCs, they already have the infrastructure to run thick clients at no extra cost.
- Higher server capacity. The more work that is carried out by the client, the less the server needs to do, increasing the number of users each server can support.

The benefits of using thick client versus thin clients will be kept under continual review.

## Licences

Licences held	Total VJB	Campbeltown	Clydebank	Use
Unix				Multi tasking, multi user operating system on the Unix server
Progress –Users	30			Software used for Valuation Roll and Council Tax Valuation List administration
4GL System Development			1	Development tool for Progress
Results Query Tool	5			Interactive data access tool for the generation of custom reports from Progress
W2008 CALS (Client Access Licences)	70	25	45	Allows users to access server software
MS Exchange	70	25	45	Combines anti-spam and encryption technologies with anti-virus infrastructure
HFX	2	1	1	Flexi time recording system
Windows Internet Explorer	69	25	44	Web browser
Microsoft Office 2003	69	25	44	Software providing Word, Excel, Outlook, PowerPoint, Access and Publisher
EROs	50			Electoral Registration System
EROs DR	5			Licences for Disaster Recovery Server
SQL Server Licence	1			EROs SQL Server Licence
SQL Client Licence	43			Client Access to EROs Server

Licences held	Total VJB	Campbeltown	Clydebank	Use
GGP	4	2	2	Provider of <b>Geographical Information Systems</b> enabling easy use of OS Mastermap with its traditional mapping,aerial and satellite imagery
Adobe Acrobat (V6)	2	1	1	Application software allowing creation, viewing, and manipulation of files in <b>Portable Document Format</b>
MS Front Page	2	1	1	Web manipulation software
MS Visio	3	2	1	Software providing a commercial diagramming program
EDC Iworld	multi view			
WinZip				Proprietary file archiver and compressor
Timesheet V7.5	2	1	1	Time tracking software allowing examination of time allocated to functions and cost of that time resource
Symantec Backup	3	1	1	Backup software for Windows servers (one in Garshake Road (vjberos2012))
Visual Studio Professional 2012	1		1	.NET development suite

## **5. Current Systems Analysis**

The Valuation Joint Board office at 235 Dumbarton Road, Clydebank is served by leased line networks (10MB and 100MB) offering high speed, effective, reliable point-to point data circuits to the servers hosted at Garshake Road and access to the Internet. An aggregated Broadband solution is in place for the Campbeltown Office although the speed of connection and capacity of the line has at times proven unreliable. The IT Team in conjunction with WDC IT are actively pursuing alternatives to this, including the possible use of the Fibre Optic network which is due to be rolled out in the Campbeltown area in 2015. Further Broadband aggregation via Vipranet is currently in the process of being installed

The technologies and systems currently in use, being inherited in part from Strathclyde Regional Council, have been developed bit by bit and if the structure was to be renewed from scratch, it would be different. The disparate nature of this piecemeal development means that each constituent part works well but the whole could be better integrated. In recent times significant work has been undertaken to try and better integrate these systems and develop an information hub.

## 6. Proposals for the next three years

- **Hardware**

The Cabinet Office *Greening Government ICT* paper of 2010 outlines government strategy for reducing the carbon emissions from the production and operation of IT equipment. One of the priorities is to extend the lifecycle of all purchases to their natural demise. This does not necessarily mean that hardware is only replaced when it stops working but it can be determined by when it becomes unable to support the Board's business objectives, demands excessive maintenance costs or produces an excessive carbon footprint.

Further to the above, financial pressures which are likely to apply for the foreseeable future will require that best use of all resources is achieved.

The policy in recent time has been to replace servers when their warranty runs out and this has, in practice, been about every five years. The potential to use the former Eros server to act as a file share serving our two offices is being actively pursued, it is considered that this file share will be of great assistance for the 2017 Revaluation and also for fulfilling aspects of the Public Records (Scotland) Act

Server	Installed	Warranty until
Unix	June 2009	February 2016
Eros	June 2014	09/05/2019
EROS	April 2012	20/02/2017
Citrix Server	WDC Server	April 2016
WDC E-mail Exchange server	WDC Server	Annual renewal
Win2008 server	July 2011	23/3/16
Win2008 server	August 2011	23/3/16
Win 2003 server	N/A	Flexi only servers alternatives being looked at
Win 2003 server	N/A	
Appgate VPN server	August 2010	Annual maintenance

PCs are being replaced every four years currently and it is proposed that, in line with general industry standards, replacement is stretched to five years. Warranty on PCs purchased by the Board varies from three to five years. If, within the five year period, performance is affected and the addition of more memory rectifies the problems then that option will be taken.

Printers and **Multi Function Devices** – Two MFDs (one Ricoh C5000 and one Ricoh C2030) were installed in each office in October 2010 to improve the quality of printing while radically reducing the cost. The full maintenance rental agreement for all four MFDs is for a period of 60 months ie until October 2015. Work will begin early in 2015 on identifying options for replacement / renewal of the MFDs. One backup colour A3 printer is held in each office as emergency backup.

Scanners – There are two Fujitsu Fi-6700 scanners, purchased in July 2014 with three year warranties, in each office and used for Electoral Registration purposes. There is also one Canon DR-3020 at each location for local document scanning purposes with an additional backup unit located at Clydebank. Each of the C5000 MFDs has a scanning facility allowing the scanned image to be sent by e-mail or to be sent to a designated folder

- **Software**

The monitoring of software loaded ensures that all appropriate licences are in place and that no illegal software exists.

- **Networks and Communications**

The current networks are detailed at appendices A and B.

The Board's premises at Clydebank are part of WDC's Modernisation Programme and at time of writing are in the process of being moved on to the new WDC network. This new network will provide resilience and also cost savings. The Campbeltown Office is not an integrated part of the WDC modernisation programme and we are evaluating the most appropriate long term strategy for this location, possibilities include further Broadband aggregation and when available transferring to a fibre based solution.

## **7. Internet and e-mail Policy**

Both the internet and e-mail have become business critical tools for staff throughout the VJB. They are used for communication, data sharing, data transfer, information gathering, research, procurement and other interactive services.

The Valuation Joint Board is therefore committed to providing round the clock services for appropriate staff to use. E-mail is provided to the VJB by WDC ITC. Personal use of the internet and email is discouraged.

Valuation Joint Board staff are required to comply with West Dunbartonshire Council's Internet and e-mail Security Policy for Employees and Other Agents. All Board members of staff have signed an ICT Access and Security Agreement. During 2015 /16 staff will be reminded of the contents of the current internet and email policy.



A copy of the Policy and Agreement can be found at <http://newintranet.west-dunbarton.gov.uk/EasySiteWeb/GatewayLink.aspx?allId=8672>

## **8. DAB Website**

The website [www.dab-vjb.gov.uk](http://www.dab-vjb.gov.uk) follows the generally accepted two column structure which improves accessibility.

The website publishes information useful to the public in a friendly format. It also contains details of Board Policies, copies of the Board's and Assessor's FOI Publication schemes, and details of the Key Performance Indicators.

Consideration is given, on an ongoing basis, to extending the amount of useful information which the website can hold.

As well as storing general information the website also contains downloadable forms for all three functions allowing, for example the public to register for a postal vote or lodge an appeal against either a Council Tax band or Valuation Roll entry. The website contains links to the Assessors Portal [www.saa.gov.uk](http://www.saa.gov.uk) where some of the valuation forms can be submitted electronically.

In response to the recent change to Individual Electoral Registration the ability to submit some forms on line has been introduced and may be developed further in the future.

Facilities, such as text reading software and audio inserts are being investigated to make the website more accessible to the disabled.

## **9. DAB Intranet**

The staff intranet is used as a repository for general staff information, personnel and other policies and also centralises information securely for the Management Team.

The intranet's main purpose is to serve as the central repository for up to date versions of all relevant documents, thereby reducing the requirement to store and maintain documents in separate LAN servers. The role of the intranet is being reviewed as part of a wider review of our electronic document and file storage

## **10. Assessors Portal**

The Portal ([www.saa.gov.uk](http://www.saa.gov.uk)) is the public face of the Scottish Assessors Association. The Portal has basically three parts, the public area, government users' area and the Assessors' secure area.

The public area has undergone a radical expansion in recent years to include all Valuation Roll entries and their recent histories and Council Tax entries and their current bands. Also now included, in addition to many forms and general information, are the summary valuation details of most shops, offices and industrial type subjects.

The Assessors' portal is also the vehicle through which the Joint Board provides interactive services to the public in support of its valuation functions. The facilities which currently exist include submission of:-

- Council Tax proposals
- Non-Domestic Valuation Appeals (Individually)
- Non-Domestic Valuation Appeals (Automated/Bulk)
- Non Domestic Rental Questionnaires

In partnership with the other assessors, the Valuation Joint Board will seek to increase the interactive options available through the portal.

The 'government users' area is made available to central and local government partners who use these primarily to access data and report on a number of property related matters.

The Assessors' secure area holds many documents such as minutes of meetings, appeal courts decisions going back for decades, bulk rental information, the Cost Guide, and a web mapping facility for Valuation Roll and Council Tax List entries.

The Valuation Joint Board remains firmly committed to the portal and will retain input to the Portal Management Committee, Project Team and Working Groups as appropriate. Financial resource will also be committed to the support, maintenance and development of the portal for the foreseeable future.

## **11. Home Working**

Most work done from home is done by a restricted number of staff, voluntarily, on an irregular basis.

The Management Team will keep this facility under constant review and extend its use if and when the appropriate circumstances apply.

## **12. Mobile Working**

Appropriate members of staff have access to laptops, this means that:

- a) staff using them can take all appropriate papers and background material to internal and external meetings wherever they take place without the need for expensive printing and copying. This reduces the time taken to prepare for meetings.
- b) The laptops have been configured to provide easy, secure access from out of office locations to the normal networks available when in the office. This facility has now been fully tested and will provide the platform for any extension of home or mobile working.
- c) The laptops have been encrypted to ensure that the data held on them and the access to the Assessors systems is protected.

There may be benefits in providing network access to field workers and the Board will keep this under review.

### **13. Laptop Security**

The current DAB Laptop Security Policy at Appendix C details all steps to keep data secure when using these devices. The laptops have had encryption software added.

The use of encrypted memory sticks does not form part of our mainstream processes but will be considered in critical circumstances.

### **14. Competencies**

The Valuation Board will remain committed to ensuring that staff have the correct competencies to make best use of the IT systems which are in use. To that end, the Board will ensure that:-

- Recruitment criteria will normally require competence and/or experience in general software applications such as word processing and spreadsheets
- Analysts will require to be trained to degree level, or equivalent
- Induction and ongoing training in all systems will be provided as required
- Application specific training will be provided for systems administrators and users
- Project Management training will be provided as appropriate
- Specific IT-related training needs will be identified through the annual review of personal development plans.

Training in all IT matters is the responsibility of the Depute Assessor who arranges some to be delivered “in house” and the rest to be provided by external bodies, but mostly via WDC including utilising their e-learning facility.

### **15. Systems Integration**

The various IT systems used to carry out the three functions are disparate due to piecemeal development over the years.

As indicated at 4. above, the three functions of the Board utilise software as follows:

- Valuation Roll – The maintenance of the Roll itself is on Progress, inherited from Strathclyde Regional Council. 51% of the valuations are carried out on Progress and the remainder on Microsoft Excel
- Council Tax – Utilises Progress
- Electoral Registration – All processes are run on Eros, a specifically designed application from Halarose of Oxford

Consideration will be given to holding more valuations on Progress to further reduce the reliance on Microsoft Excel for valuation details. This project will need careful planning to integrate with other IT demands.

Should time allow, the integration of the rent file with Progress will be considered.

Council Tax – little development is anticipated in this area and what there is will be dependant on the future of Council Tax. The maintenance of survey and valuation records is ongoing to facilitate a future Revaluation or changes in the banding structure.

The document hub has been created to link previously disparate data sets and has allowed physical data such as images to be searched/added or manipulated at the directory level, linking to table data using a property key such as the UPRN or the Assessor's reference number or the finance number. Furthermore, users are able to work with this data without having to rely on a character based display, which has been very restrictive.

Online help is integrated for particular areas, providing tool tips when the user hovers over particular areas. The interface is very similar to internet forms, so the system should look much more familiar. The help in particular areas, mentioned above could open in a new window or become visible in the current page as text or even a word document and could, for example, include procedure documents written by valuation staff.

Electoral Registration - This area has undergone significant change in recent months with the introduction of Individual Electoral Registration (IER). We will continue to work with our EMS supplier, Halarose, to ensure that the system provided is adequate for our needs and in line with legislative requirements including the proposed extension of the franchise for 16 and 17 year olds. User Group input will also provide the drivers for system improvement.

## **16. Disaster Recovery**

The security of data storage and system functionality is exceedingly important for all of the Functions.

All relevant paperwork, necessary to recreate any Non-Domestic or Council Tax value, is scanned and stored electronically using an in-house scanning software solution. This scanning is carried out on a regular basis by staff in each office.

All information held on the two local servers is copied to tape every night and the tapes taken off site daily for safe storage. There is a fixed schedule for the use on daily and monthly tapes to preserve information for as long as possible.

The Electoral Registration System (EROS), including scanned images, hosted on XXXXXX is replicated in real time to a DR Server (XXXXXXX) at Roseberry Place.

The Unix, Eros, and WDC e-mail exchange servers, located at West Dunbartonshire Council offices at Garshake Road, are backed up nightly by WDC.

Staff are advised not to store information on their home drives (C:) on the PCs and laptops as these are not backed up in any way. Any data lost would be unrecoverable.

The Valuation Joint Board's Business Continuity Plan's objectives are:-

- ◆ To develop a workable, co-ordinated and effective response to the loss of critical functions.
- ◆ To develop internal arrangements and contingency measures for dealing with the loss of critical functions.
- ◆ To provide recognised and agreed procedures for obtaining assistance from other agencies as and when considered necessary.
- ◆ To continue to provide essential services to our stakeholders during times of difficulty/crisis.

The UNIX Server, (XXXXX), the Main Eros Server (XXXXX), and the WDC e-mail exchange server (XXXXX) are all backed up automatically at Garshake Road Dumbarton by WDC. The two Win2008 domain controller/servers (XXXXX&XXXXX) are backed up locally at Kilbrannan House and 235 Dumbarton Road to tapes which are removed daily from the buildings. The old Eros server (XXXXX), located at 235 Dumbarton Road is backed up to Win2003 server XXXXXat the same location.

The above server backup procedures will ensure that the Business Continuity Plan objectives are met.

The Valuation Joint Board's Clydebank Office connects to Roseberry Place via a 10MB LES (LAN Extension Service) connection. If this fails the office will use WDC Education Technical Services fixed line to connect to Roseberry Place or alternatively the remote access solution.

The Eros software is additionally secured through an Escrow agreement which offers protection in the event of Halarose of Oxford entering into liquidation or no longer being in the position to offer support. Under the Escrow agreement Halarose has provided a trusted third party, SES Software Escrow Solutions, with the full source data required for reinstallation if necessary.

## **17. Documentation**

IT Documentation is currently stored on the XXXXX server which is located at Garshake Road. This can be accessed via the shared user area which is accessible to all staff. The documentation is split into logically named categories for each area the IT Team cover. DAB-VJB is committed to the following.

- Continuing to store IT documentation in a well maintained filing/folder structure accessible to the relevant staff
- Developing new documentation as necessary in line with systems development
- Developing new documentation as necessary in line with systems support
- Amending existing systems support and development documentation as required in line with any changes that occur (hardware changes, Network changes, system changes etc)

- Improving documentation

All IT Documentation is currently written and edited by DAB-VJB's Systems Officer, Assistant Systems Officer and Applications Officer. Documentation is reviewed within the IT team, before being published as live.

## **18. Security**

Access to the IT systems is all protected by password sign on at various stages. See Appendix D for guidance on Passwords

- All laptops are encrypted to allow the start up software to run following successful input of user name and password
- Access to the local area networks is protected by user name and password
- The use of user profiles allows access to certain directories, folders or files to be restricted to approved staff
- Access to the Progress application is protected by username and password
- Access to the Eros application is protected by user name and password
- Investigations are ongoing to restrict access to certain file paths

Regular checks are carried out, and reported to management, to ensure that all users with access are authorised. The addition of new users requires authorisation as does the changing of passwords by administrators.

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

Report by Assessor & Electoral Registration Officer

Valuation Joint Board – 12 June 2015

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**Subject: Revised Employer Discretions - Local Government Pension Scheme (Scotland) Regulations 2014**

## **1. Purpose**

- 1.1** The purpose of this report is to update the Valuation Joint Board on the review of the Joint Board's Statement of Policy on discretions allowable under the revised Pension Regulations, and the proposed revisions to the Discretions Statement.

## **2. Recommendations**

- 2.1** It is recommended that Joint Board:

- (1) note the content of this report and,
- (2) approve the revised Statement of Policy on Discretions.

## **3. Background**

- 3.1** The Local Government Pension Scheme (LGPS) in Scotland was amended from 1 April 2015 so that benefits accruing for service after 31 March 2015 accrue on a Career Average Re-valued Earnings (CARE) basis, rather than on a final salary basis.
- 3.2** The provisions of the CARE scheme, together with the protections for members' accrued pre 1 April 2015 final salary rights, are contained in the Local Government Pension Scheme (Scotland) Regulations 2014 and the Local Government Pension Scheme (Transitional Provisions and Savings) (Scotland) Regulations 2014.
- 3.3** As a result of the changes, Scheme employers participating in the LGPS in Scotland have to formulate, publish and keep under review a Statement of Policy on certain discretions which they have the power to exercise in relation to members of the CARE Scheme. Scheme employers are also required to (or where there is no requirement, are recommended to) formulate, publish and keep under review a Statement of Policy on certain other discretions they may exercise in relation to members of the LGPS.
- 3.4** Overall, Scheme employers participating in the LGPS in Scotland:
- 3.4.1** Are required to formulate, publish and keep under review a Statement of Policy on certain discretions in accordance with:

- Regulation 58 of the LGPS (Scotland) Regulations 2014,
- paragraph 2(2) of Schedule 2 to the LGPS (Transitional Provisions and Savings) (Scotland) Regulations 2014
- Regulation 61 of the Local Government Pension Scheme (Administration) (Scotland) Regulations 2008 (in respect of leavers between 1 April 2009 and 31 March 2015), and
- Regulation 105 of the Local Government Pension Scheme (Scotland) Regulations 1998 (in respect of leavers between 1 April 1998 and 31 March 2009);

**3.4.2** Are recommended to formulate, publish and keep under review a Statement of Policy on one discretion under the Local Government Superannuation (Scotland) 1987 (in respect of leavers before 1 April 1998); and

**3.4.3** Are required to formulate, publish and keep under review a Statement of Policy on certain discretions in accordance with regulation 51A of the Local Government (Discretionary Payments and Injury Benefits) (Scotland) Regulations 1998, operative from 4 March 1998.

**3.5** The Joint Board's Statement was last approved on 10<sup>th</sup> June 2011.

**3.6** Cognisance of the principles of good practice as recommended by Audit Scotland in the Managing Early Departures report, May 2013 and the Accounts Commission "Scotland's Public Sector Workforce" report prepared by Audit Scotland published in November 2013 were considered in the current review.

**3.7** Generally, the Valuation Joint Board tends to adopt Personnel and related Policies which are in line with those of West Dunbartonshire Council.

#### **4. Main Issues**

**4.1** As a result of Public Sector Pension Reform and the new pension schemes, effective 1 April 2015, a review and publication of our Statement is required. The revised Statement is attached as Appendix 1.

**4.2** Effectively, the overall approach taken seeks to maximise benefit to members while minimising additional cost to the Joint Board. In addition, every appropriate effort will be made to recover funds 'lost' through fraudulent or inappropriate activity. As before, where the recommendation is that the discretion will not be exercised, this will effectively rule out use.

#### **5. People Implications**

**5.1** The discretions may influence the treatment of employees' benefits; however they are wholly determined by the employer. Once finalised, the relevant document will be published and available for employees on the Joint Board's intranet.



## **6. Financial Implications**

- 6.1** The decision to apply any discretionary enhancement would have a financial impact if, and when, the discretion was applied. Early release incurring a financial cost to the Board should be supported by a business case, clearly demonstrating that any initial costs will be offset by savings in subsequent years.

## **7. Risk Analysis**

- 7.1** In determining the application of discretions, the Board must strive to maintain public confidence in the manner in which it exercises these powers. Ensuring the application is open, transparent and cost effective will minimise the risk of public confidence diminishing.

## **8. Equalities Impact Assessment (EIA)**

- 8.1** Discretions available under the LGPS are determined by pension regulations, with employers determining whether or not to exercise specific discretions.
- 8.2** A number of discretions are age specific and apply to those employees aged 55 (50 protected members) or over. These are not imposed by the Board but are requirements of the regulations. Nevertheless discretions that are age specific will give rise to an adverse impact on account of age. To mitigate this impact, discretions will be applied in a fair, consistent and transparent manner. It should be noted, however, that pension schemes have an explicit exemption in respect of the Equality Act 2010.

## **9. Consultation**

- 9.1** This review of Pensions discretions is wholly in line with a similar Statement of Policy on Discretions recently implemented in West Dunbartonshire Council and which were discussed in advance with Trades Unions through the WDC Employee Liaison Group.

## **10. Strategic Assessment**

- 10.1** Application of discretions supports the Board to adjust its' workforce profile to changing circumstances. Discretions should be applied in a fair and transparent manner, give value for money to the Joint Board and secure service delivery without putting unnecessary financial strain on the Board.

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**D Thomson**  
**Assessor and ERO**  
**Date: 21st May 2015**

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**Appendices:**

Appendix 1 – Draft Statement of Policy on Application of Discretions available per Local Government Pension Scheme



*Dunbartonshire and Argyll & Bute  
Valuation Joint Board*

**Dunbartonshire and Argyll & Bute Valuation Joint Board**

**Local Government Pension Scheme 2015**

**Statement of Policy on Discretions**

**June 2015**

# **Local Government Pension Scheme 2015**

## **Statement of Policy on Discretions**

### **1. Introduction**

- 1.1 The Local Government Pension Scheme (LGPS) in Scotland was amended from 1 April 2015 so that benefits accruing for service after 31 March 2015 accrue on a Career Average Re-valued Earnings (CARE) basis, rather than on a final salary basis. Regulation 105 of the main Local Government Pension Scheme states that employer must formulate and keep under review their Policy concerning the exercise of their discretions.
- 1.2 As a result of the changes, Scheme employers participating in the LGPS in Scotland have to formulate, publish and keep under review a Statement of Policy on certain discretions which they have the power to exercise in relation to members of the CARE Scheme. Scheme employers are also required or, as appropriate, recommended to formulate, publish and keep under review a Statement of Policy on certain other discretions they may exercise in relation to members of the LGPS
- 1.3 This Policy details the range of discretions available to the Valuation Joint Board and the discretions which the Board will adopt in relation to the LGPS.

### **2. Scope**

- 2.1 This Policy applies to early leavers (redundancy/voluntary severance/early retirement); staff requesting flexible retirement; staff in situations where augmentation of benefit would apply; staff opting out and rejoining the pension scheme.

### **3. Key Principles**

- 3.1 The Policy describes the range of discretions available to the Joint Board. All decisions in relation to the use of these discretions will always take account of the short and long term financial implications to the Board.
- 3.2 In applying its discretions, the Board will always seek to ensure consistent and equitable application within any scheme of voluntary early retirement and voluntary severance.
- 3.3 The Board will ensure the Policy on Discretions is reviewed and updated to comply with the statutory redundancy provisions and amended Pension Regulations.

### **4. Date for review**

- 4.1 This policy statement will be kept under review and will be revised as and when necessary to reflect any changes in regulations, LGPS advice or policy. Any changes to this policy will be advised to the administering authority and scheme members in writing within one month of the change taking effect.

### **5. Statutory Context**

- 5.1 The Valuation Joint Board ("The Board") is aware of its obligations under:

- Regulation 58 of SSI 2014 No.164, the LGPS (Scotland) Regulations 2014
- Paragraph 2(2) of Schedule 2 to the LGPS (Transitional Provisions and Savings) (Scotland) Regulations 2014
- Regulation 61 of the Local Government Pension Scheme (Administration) (Scotland) Regulations 2008 (in respect of leavers between 1 April 2009 and 31 March 2015)
- Regulation 105 of the Local Government Pension Scheme (Scotland) Regulations 1998 (in respect of leavers between 1 April 1998 and 31 March 2009)

5.2 In developing our policy statement, The Board has considered the LGPC document called “Discretions Policies”, see: <http://www.lgpsregs.org/index.php/scotland/admin-guides>

## 6. Discretions

6.1 The Tables below detail the range of discretions available to the Valuation Joint Board and the discretions which the Board will adopt in relation to the LGPS

**Note:** An asterisk (\*) in the following tables beside a regulation denotes the discretions where we are required to have a policy statement under the regulations

**Table 1:** Details our discretions from 1<sup>st</sup> April 2015 in relation to post 31<sup>st</sup> March 2015 active members and post 31<sup>st</sup> March 2015 leavers.

**Table 2:** Details our discretions in relation to scheme members who ceased active membership on or after 1<sup>st</sup> April 2009 and before 1st April 2015.

**Table 3:** Details our discretions under the Local Government Pension Scheme (Scotland) Regulations 1998 (as amended) in relation to pre 1<sup>st</sup> April 2009 scheme leavers.

**Table 4:** Details our discretions under the Local Government Pension Scheme (Scotland) Regulations 1987 (as amended) in relation to pre 1<sup>st</sup> April 1998 scheme leavers.

**Table 5:** Details our discretions under the Local Government (Discretionary Payments and Injury Benefits) (Scotland) Regulations 1998 (as amended).

**TABLE 1**

**The following table details our discretions from 01 04 15 in relation to post 31 03 15 active members and post 31 03 15 leavers, being discretions under:**

- the Local Government Pension Scheme (Scotland) Regulations 2014 [prefix **R**]
- the Local Government Pension Scheme (Transitional Provisions and Savings) (Scotland) Regulations 2014 [prefix **TP**]
- the Local Government Pension Scheme (Administration) (Scotland) Regulations 2008 [prefix **A**]
- the Local Government Pension Scheme (Benefits, Membership and Contributions) (Scotland) Regulations 2008 (as amended) [prefix **B**]
- the Local Government Pension Scheme (Transitional Provisions) (Scotland) Regulations 2008 [prefix **T**]
- the Local Government Pension Scheme (Scotland) Regulations 1998 (as amended) [prefix **L**]

<b>Regulation</b>	<b>Discretion</b>	<b>Employer's policy on the exercise of this discretion</b>
<b>R3(1)(b)</b>	Decide which employees to nominate for membership (admission bodies)	Not applicable to DABVJB as a Scheduled Body.
<b>RSch 2, Part 2, para 12(c)</b>	Whether, in respect of an admission body providing a service in respect of outsourced work, to set off against payments due to that body any sums due from that body to the Fund	The Board will consider each case on an individual basis.
<b>R9(1) to R9(4)</b>	Determine the rate of employee's contributions	The employee's rate of contributions will be determined in accordance with the relevant regulations
<b>R9(10)</b>	Determine intervals at which employees' contributions are to be made	The frequency of employee contributions will be determined by the relevant pay cycle
<b>R16(2)(e)* &amp; R16(4)(d)*</b>	Whether, how much, and in what circumstances to contribute to a shared cost APC scheme	The Board will contribute 2/3rds of the cost to a SCAPC where election would not have been possible within the timescales, subject to individual circumstances
<b>R16(16)</b>	Whether to extend 30 day deadline for member to elect for a shared cost APC upon return from a period of absence from work with permission with no pensionable pay (otherwise than because of illness or injury, child-related leave or reserve force service leave)	The Board will extend the deadline, on production of evidence of extenuating circumstances, for a further 30 days, subject to individual circumstances.
<b>R17(1) &amp; definition of SCAVC in RSch 1</b>	Whether, and in what circumstances to contribute to a shared cost AVC scheme.	Scheme members have access to AVC arrangement on a member-only contribution basis. Therefore the Board will not exercise this discretion on the basis of cost.
<b>TP15(1)(b) &amp; L65(8) &amp; former L65(9)(b)</b>	Allow late application to convert scheme AVCs into membership credit i.e. allow application more than 30 days after cessation of active membership (where AVC arrangement was entered into before	The Board will not exercise this discretion and application must be made within timescales.

	30/6/05)	
<b>R19(2)</b>	No right to a return of contributions due to an offence of a fraudulent character or grave misconduct unless the employer directs a total or partial refund is to be made	The Board will exercise this discretion and will not direct a total or partial refund.
<b>R20(1)(b)</b>	Specify in an employee's contract what other payments or benefits, other than those specified in R20(1)(a) and not otherwise precluded by R20(2), are to be pensionable	Elements of pay received by an employee other than those specified in these regulations and not otherwise precluded will only be pensionable if specified as such in the member's contract of employment
<b>R21(5)</b>	In determining Assumed Pensionable Pay, whether a lump sum payment made in the previous 12 months is a "regular lump sum" <b>Note: see tip 11(iv) available from P10 of the LGPC's "Discretions Policies" document.</b>	The Board will consider each case on its merits.
<b>R29(5) &amp; (13)</b>	Whether to grant application for early payment of benefits on or after age 55 and before age 60 <b>Note: see tip (v) available from P7 of the LGPC's "Discretions Policies" document.</b>	The Board will consider applications on a case by case basis subject to cost benefit analysis but will not apply the 85 year rule and consequently the cost will be met by an actuarial reduction to the scheme member's benefits.
<b>R29(6)* &amp; TP11(2)</b>	Whether all or some benefits can be paid if an employee reduces their hours or grade prior to age 60 (flexible retirement) <b>Note: see tip (iii) available from P5 of the LGPC's "Discretions Policies" document.</b>	The Board will consider applications on an individual basis and may be granted where it can be demonstrated to be to the Board's advantage or in its operational interest and must be cost neutral. In considering requests for flexible retirement, the Board would apply the agreed guidance on Flexible Retirement.
<b>R29(8)* and TPSch 2, para 2(1)</b>	Whether to waive, in whole or in part, any actuarial reduction on benefits paid on flexible retirement. <b>Note: any resultant strain cost from the exercise of this discretion will be charged to the employer regardless of the member's age at date of retirement.</b>	The Board will not waive, in whole or in part, any reduction, which would normally be applied to benefits, and therefore any reduction will be met by the employee.
<b>R29(8)*</b>	Whether to waive, in whole or in part, actuarial reduction on benefits which a member voluntarily draws before normal pension age, other than on the grounds of flexible retirement (where the member only has post 31/3/15 membership) <b>Note: any resultant strain costs due to the exercise of this discretion will be charged to the employer regardless of the employee's age.</b>	The Board will not waive the actuarial reduction applied to benefits paid early under regulation R29(5) & (13) above.
<b>TPSch 2, paras 1(2) and 2(1)*</b>	Whether to apply the 85 year rule for a member voluntarily drawing benefits, with employer consent, on or after age	The Board will not exercise the discretion to apply the 85 year rule on the basis of cost.

	55 and before age 60 (other than on the grounds of flexible retirement).	
<b>TP3(1), TPSch 2, para 2(1) *</b>	Whether to waive, in whole or in part, any actuarial reduction on pre and post April 2015 benefits which a member voluntarily draws before normal pension age other than on the grounds of flexible retirement (where the member has both pre 1/4/15 and post 31/3/15 membership and is subject to the 85 year rule)	The Board will not waive the actuarial reduction applied to benefits paid early under regulation <b>TP3(1), TPSch 2, para 2(1) *</b>
<b>TP3(1), TPSch 2, para 2(1) and B30(5)*</b>	Whether to waive on compassionate grounds any actuarial reduction on pre April 2015 benefits and to waive, in whole or in part, any actuarial reduction on post April 2015 benefits which a member voluntarily draws before normal pension age other than on the grounds of flexible retirement (where the member has both pre 1/4/15 and post 31/3/15 membership and is <b>not</b> subject to the 85 year rule)	The Board will not waive the actuarial reduction applied to benefits paid early under regulation <b>TP3(1), TPSch 2, para 2(1) *</b>
<b>R30*</b>	Whether to grant additional pension to an active member or within 6 months of ceasing to be an active member by reason of redundancy or business efficiency (by up to £5,000 p.a.)	The Board will not exercise this discretion.
<b>TP12(4)</b>	Whether to use a certificate produced by an IRMP under the 2009 Scheme for the purposes of making an ill health determination under the 2015 Scheme.	The Board will exercise this discretion.
<b>R89(1) &amp; (8) R89(4)</b>	Whether to apply to Scottish Ministers for a forfeiture certificate (where a member is convicted of a relevant offence) and subsequently whether to direct that benefits are to be forfeited (other than rights to GMP – but see <b>R92</b> below)	The Board will apply for a forfeiture certificate where a member is convicted of a relevant offence and, following the issue of the certificate, direct that benefits are to be forfeited.
<b>R90(2)</b>	Whether to recover from the fund any monetary obligation or, if less, the value of the member's benefits (other than transferred in pension rights or AVCs / SCAVCs) where the obligation was as a result of a criminal, negligent or fraudulent act or omission in connection with the employment and as a result of which the person has left the employment.	The Board will recover from Strathclyde Pension Fund the amount of loss in cases of criminal, negligence or fraudulent acts by a member, provided that other means of recovery have been exhausted.
<b>R92</b>	Whether, if the member has committed treason or been imprisoned for at least 10 years for one or more offences under the Official Secrets Acts, forfeiture under <b>R89</b> or recovery of a monetary obligation under <b>R90</b> should deprive the member or the member's surviving spouse or civil partner of any GMP (guaranteed minimum pension) entitlement.	The Board will apply for a forfeiture certificate where a member is convicted of a relevant offence and, following the issue of the certificate, direct that benefits are to be forfeited.
<b>R96(1)(b)</b>	Agree to bulk transfer payment	The Board will consult with SPFO and the fund actuaries in this regard.
<b>R98(6)</b>	Extend normal time limit for acceptance of a	The Board will not extend the



	transfer value beyond the 12 month time limit from joining the LGPS	normal time limit for acceptance of a transfer value beyond 12 months from joining the scheme.
<b>TP3(6), TP4(6)(c), TP8(4), TP10(2)(a), TP17(2)(b) &amp; B11(2)</b>	Whether to allow a member to select final pay period for fees to be any 3 consecutive years ending in the 10 years prior to leaving and ending on the anniversary of the date of leaving	The Board will allow a member to select final pay for fees to be any three consecutive years ending 31 <sup>st</sup> March in the 10 years prior to leaving. The Board agree that this will be done automatically by SPFO.
<b>TP3(1)(a), A43(5)</b>	Issue a certificate of protection of pension benefits where eligible non-councillor member fails to apply for one (pay cuts / restrictions occurring pre 01 04 15)	The Board will issue a certificate of protection of pension benefits where the member fails to apply for one.

**TABLE 2**

**The following table details our discretions in relation to scheme members who ceased active membership on or after 01 04 09 and before 01 04 15, being discretions under:**

- the Local Government Pension Scheme (Administration) (Scotland) Regulations 2008 [prefix **A**]
- the Local Government Pension Scheme (Benefits, Membership and Contributions) (Scotland) Regulations 2008 (as amended) [prefix **B**]
- the Local Government Pension Scheme (Transitional Provisions) (Scotland) Regulations 2008 [prefix **T**]
- the Local Government Pension Scheme (Transitional Provisions and Savings) (Scotland) Regulations 2014 [prefix **TP**]
- the Local Government Pension Scheme (Scotland) Regulations 2014 [prefix **R**]
- the Local Government Pension Scheme (Scotland) Regulations 1998 (as amended) [prefix **L**]

<b>Regulation</b>	<b>Discretion</b>	<b>Employer's Policy on the exercise of this discretion</b>
<b>B12*</b>	Whether, for a member leaving on the grounds of redundancy or business efficiency on or before 31 <sup>st</sup> March 2015, to augment membership (by up to 10 years). The resolution to do so would have to be made within 6 months of the date of leaving. Hence this discretion is spent entirely after 30 <sup>th</sup> September 2015	The Board will not exercise this discretion.
<b>A42(2)</b>	No right to a return of contributions due to an offence of a fraudulent character or grave misconduct unless the employer directs a total or partial refund is to be made	The Board will not direct a return of contributions in the event of an offence of a fraudulent character or grave misconduct.
<b>A43(5)</b>	Employer may issue a certificate of protection where an employee fails to apply for one.	The Board will issue a certificate of protection of pension benefits where the member fails to apply for one.
<b>A45 (1) &amp; (2)</b>	Whether Contribution Equivalent Premium (CEP) in excess of the Certified Amount (CA) recovered from a refund of contributions can be recovered from the Pension Fund	The Board will consider each case on its individual merits.
<b>A66 (2) &amp; (6)</b>	Whether to apply for a forfeiture certificate	The Board will apply for a

<b>A67 (1) &amp; (2)</b>	(where a member is convicted of a relevant offence) and subsequently whether to direct that benefits are to be forfeited.	forfeiture certificate where a member is convicted of a relevant offence and, following the issue of the certificate, direct that benefits are to be forfeited.
<b>A68(2)</b>	Whether to recover from the fund any monetary obligation or, if less, the value of the member's benefits (other than transferred in pension rights or AVCs / SCAVCs) where the obligation was as a result of a criminal, negligent or fraudulent act or omission in connection with the employment and as a result of which the person has left the employment.	The Board will recover from Strathclyde Pension Fund the amount of loss in cases of criminal, negligence or fraudulent acts by a member, provided that other means of recovery have been exhausted.
<b>A70(2) &amp; (3)</b>	Whether to recover from the fund any financial loss caused by fraudulent offence or grave misconduct of an employee(who has left because of that) or amount of refund if less	The Board will recover from Strathclyde Pension Fund the amount of loss caused by fraudulent offence or grave misconduct of employee (who has left because of that), or the amount of refund if less.
<b>B11(2)</b>	Whether to allow a member to select a final pay period for fees to be any three consecutive years ending with 31 <sup>st</sup> March in the 10 years prior to leaving.	The Board will allow a member to select final pay for fees to be any three consecutive years ending 31 <sup>st</sup> March in the 10 years prior to leaving. The Board agrees that this will be done automatically by SPFO.
<b>B30(2)*</b>	Whether to grant application for early payment of benefits on or after age 50/55 and before age 60	The Board will consider applications on a case by case basis subject to cost benefit analysis.

**TABLE 3**

**The following table details our discretions under the Local Government Pension Scheme (Scotland) Regulations 1998 (as amended) in relation to pre 01 04 09 scheme leavers.**

<b>Regulation</b>	<b>Discretion</b>	<b>Employer's policy on the exercise of this discretion</b>
<b>30(2)*</b>	Grant application from a post 31 03 98 / pre 01 04 09 leaver for early payment of benefits on or after age 50 and before age 60	The Board will not exercise this discretion.
<b>30 (5)*</b>	Waive, on compassionate grounds, the actuarial reduction applied to benefits paid early for a post 31 03 98 / pre 01 04 09 leaver <b>Note: any resultant strain cost from the exercise of this discretion will be charged to the employer regardless of the member's age at date of retirement</b>	The Board will not exercise this discretion.
<b>30 (7A)*</b>	Pre 01 04 09 optants out only to get benefits paid from NRD if employer agrees	The Board will not exercise this discretion.
<b>33 (1)(b)</b>	Decide, in the absence from a post 31 03 98 /	The Board will consider each

	pre 01 04 09 leaver of an election from the member within 3 months of being able to elect, which benefit is to be paid where the member would be entitled to a pension or retirement grant under 2 or more regulations in respect of the same period of Scheme membership.	case on its merits.
<b>70(7)(a)</b>	Consent to a member's former employer assigning to the new employer rights under any SCAVC life assurance policy	The Board will not exercise this discretion.
<b>87 (2)</b>	No right to return of contributions due to offence of a fraudulent character unless employer directs a total or partial refund is to be made (pre 01 04 09 leavers)	The Board will not direct a return of contributions in the event of an offence of a fraudulent character or grave misconduct.
<b>91</b>	Contribution Equivalent Premium (CEP) in excess of the Certified Amount (CA) recovered from a refund of contributions can be recovered from the Pension Fund (pre 01 04 09 leavers)	The Board will consider each case on its merits.
<b>111(2) &amp;(5) 112(1)</b>	Forfeiture of pension rights on issue of Secretary of State's certificate (pre 01 04 09 leavers)  Where forfeiture certificate is issued, direct interim payments out of Pension Fund until decision is taken to either apply the certificate or to pay benefits (pre 01 04 09 leavers)	The Board will apply for a forfeiture certificate where a member is convicted of a relevant offence and, following the issue of the certificate, direct that benefits are to be forfeited.
<b>113(2)</b>	Recovery from Fund of monetary obligation owed by former employee or, if less, the value of the member's benefits (other than transferred in pension rights) (pre 01 04 09 leavers)	The Board will seek recovery from Strathclyde Pension Fund where other internal avenues have been exhausted.
<b>115(2) &amp; (3)</b>	Recovery from Fund of financial loss caused by employee, or amount of refund if less (pre 01 04 09 leavers)	The Board will seek recovery from Strathclyde Pension Fund where other internal avenues have been exhausted.

**TABLE 4**

**The following table details our discretions under the Local Government Pension Scheme (Scotland) Regulations 1987 (as amended) in relation to pre 01 04 98 scheme leavers.**

<b>Regulation</b>	<b>Discretion</b>	<b>Employer's policy on the exercise of this discretion</b>
<b>E2(6)(b)</b>	Grant application from a pre 01 04 98 leaver for early payment of benefits on or after age 50 and before age 60	The Board will not exercise this discretion.

**TABLE 5**

/see over

**TABLE 5**

**The following table details our discretions under the Local Government (Discretionary Payments and Injury Benefits) (Scotland) Regulations 1998 (as amended)**

<b>D 4 (1)</b>	Power to increase statutory redundancy payments above statutory weekly pay limit	Where redundancy is linked to the award of Compensatory added years, payment will be subject to the statutory weekly limit. Dependent on individual and financial circumstances, the Board may increase the limit up to actual weekly pay.
<b>D 8(1)</b>	Decision on whether to award compensatory added years to an individual on retirement on efficiency / redundancy Grounds	The Board may award up to 3 added years for retirement on redundancy grounds and up to 5 years for those on efficiency grounds. Any award will be subject to cost benefit analysis and the limits of affordability at the time of proposed release.
<b>D 35</b>	Decision to award up to 104 weeks compensation instead of compensatory added years	The Board will consider awarding compensation up to 60 weeks (using the statutory redundancy table with a multiplier of 2). Eligible employees will either be scheme members with at least 2 years continuous service and under 55 years (50 for protected members) or employees who are non-members of the scheme. Any award will be subject to cost benefit analysis and the limits of affordability at the time of proposed release.

**Re-employment of individuals who have left the Joint Board through early retirement/voluntary severance.**

**Statement**

The Board has a responsibility to exercise discretion in a fair, consistent, manner and act in the best interests of the organisation, the community and the pension fund. Where an individual leaves the employment of the Joint Board through early retirement/voluntary severance the individual will be unable to seek re-employment with the Joint Board at a future date.

**Recommended outcome**

The Accounts Commission report on "Managing Early Departures from the Scottish Public Sector" supported consideration of restrictions on re-employment of staff who have accepted enhanced packages at a cost to the Joint Board. Current arrangements provide for a 6 month restriction preventing re-employment to the same or similar post, but no restriction where post is different. In order to realign our practice with that of neighbouring Councils and mindful of the aforementioned report, the recommendation is that re-employment of such former employees would be in exceptional circumstances only.

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

Report by Depute Assessor & Electoral Registration Officer

Valuation Joint Board – 12 June 2015

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## **Subject: Public Sector Equality Duty Report**

### **1.0 Purpose**

- 1.1 To advise members of the publication of the Valuation Joint Board's Public Sector Equality Duty Report 2015.

### **2.0 Background**

- 2.1 At its meeting on 14<sup>th</sup> June 2013 the Valuation Joint Board approved a 'Public Sector Equality Duty Report' for implementation within the Joint Board.
- 2.2 This Report contained the Boards response to a number of duties arising out of The Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012.
- 2.3 At its meeting on 21<sup>st</sup> November 2014 the Valuation Joint Board approved a revised Public Sector Equality Duty Report taking into account work undertaken with the Equality and Human Rights Commission on revising and improving the Equalities Outcomes
- 2.4 Within 2 years of the publication of the 2013 Report we were required to publish, a mainstreaming report, updated employee information and a progress report on the Equalities Outcomes.

### **3.0 Progress**

- 3.1 An Employee Equalities Survey was carried out in Spring 2015 which was preceded by a series of briefing sessions with staff to help increase understanding of the reasons behind the request for employee information, what the information would be used for, how it would be held and to provide more information about the protected characteristics. Information from independent organisations such as the Equalities and Human Rights Commission and Stonewall was also provided.
- 3.2 The 2015 progress report (See Appendix 1) containing the updated employee information was published on 28<sup>th</sup> April 2015 as required under the Act and is available on the Board's website.

### **4.0 Recommendations**

- 4.1 It is recommended that the Board note the publication of attached Public Sector Equality Duty Report 2015
-

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*Dunbartonshire and Argyll & Bute  
Valuation Joint Board*

## **Public Sector Equality Duty**

**April 2015**

## **Foreword**

The Equalities Act 2010 (The Act) provided an opportunity for Dunbartonshire and Argyll & Bute Valuation Joint Board (the Board) to reaffirm its commitment to equality.

This Public Sector Equality Duty report is the backbone of a positive equal opportunities agenda which includes the promotion of equality by the Board within Argyll & Bute, and East and West Dunbartonshire.

The Board is committed to the promotion of equal opportunities and this report is the basis of that commitment and part of Dunbartonshire and Argyll & Bute Valuation Joint Board's wider equal opportunities policy.

The Board's performance in relation to the proposals contained in this report will be monitored and audited, and progress reported to elected members of the Board and to the citizens of Argyll & Bute and East and West Dunbartonshire.

This report should be read in conjunction with the Board's Single Equality Scheme.

This update report includes updated employee information including details of how this is gathered and used to help us better meet the Equality duty. It also includes information on how we are progressing towards achieving Equality Outcomes including the revised outcomes that were published during the Autumn of 2014.



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## **1.0 Introduction**

### **1.1 The Board.**

The Dunbartonshire and Argyll & Bute Valuation Joint Board was established as part of the 1996 reorganisation of local government in terms of The Valuation Joint Boards (Scotland) Order 1995 and is vested with the functions of the three valuation authorities ([Argyll & Bute Council](#) , [East Dunbartonshire Council](#) and [West Dunbartonshire Council](#)) in the former Strathclyde Region. With the agreement of the three councils the Board also has responsibility for the Electoral Registration function. The Board has therefore appointed the Assessor to be the Electoral Registration Officer and to be responsible for the preparation and maintenance of the Register of Electors.

The Board comprises 16 members who are appointed by the three councils with the [Argyll & Bute Council](#) and [East Dunbartonshire Council](#) each nominating 5 members and [West Dunbartonshire Council](#) 6 members.

### **1.2 Functions of the Assessor and Electoral Registration Officer**

Electoral Registration - This service is responsible for the compilation and maintenance of the Electoral Register. The Electoral Register is used at all elections and only persons who appear on the Register can vote. Electoral Registration forms are issued every year to all properties that are residences. This Service therefore reaches every member of the community who is aged 18 years or over. A statement is included with the forms stating that the form can be made available in other languages or larger print.

Valuation - This service is responsible for the compilation and maintenance of the Valuation Roll. The Valuation Roll is used by the Directors of Finance of the Board's constituent Councils to bill occupiers/owners for non-domestic rates. A statement is included with relevant forms and Notices stating that they can be made available in other languages or larger print.

Council Tax - This service is responsible for the compilation and maintenance of the Council Tax List. The List is used by the Directors of Finance of the Board's constituent Councils to bill occupiers/owners for Council Tax payments. Council Tax Banding Notices are issued to new dwellings, and certain altered dwellings. This Service reaches all Council Taxpayers in Dunbartonshire and Argyll & Bute. A statement is included with relevant forms and Notices stating that they can be made available in other languages or larger print.

### **1.3 Service Mission and Vision**

#### **“WHO WE ARE”**

Dunbartonshire and Argyll & Bute Valuation Joint Board is an independent local authority which was established by The Valuation Joint Boards (Scotland) Order 1995

#### **“WHAT WE DO”**

We professionally compile and maintain the Valuation Rolls, Council Tax Valuation Lists and Registers of Electors for the Argyll & Bute, East Dunbartonshire and West Dunbartonshire Council areas

#### **“OUR AIMS”**

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

#### **COMMITMENTS**

We are committed to:

- Listening and responding to stakeholders needs
- Valuing staff and providing them with opportunities to develop and contribute
- Reacting innovatively to change
- Treating all stakeholders in a fair, consistent manner and in accordance with equal opportunities 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
- Using ‘plain English’

It can therefore be seen from the above that the Board, by embedding a firm commitment to achieving equality of service provision into its Vision, Mission and Commitments statements, has established equalities into the ethos of the organisation.

## **2.0 Equal Pay**

The Equality Impact Assessment carried out on behalf of Unison following the completion of the Pay Modernisation processes for the Board's staff states "On the basis of the information supplied, the new pay scheme is consistent with the principles of equal pay for work of equal value. It reduces the overall pay gap and removes any significant pay gap for work rated as equivalent. The overall pay gap remains a concern but given that this results from the predominance of men in higher grades and women in lower grades, it is outwith the scope of this report." The Board will, through recruitment and promotion, attempt to remove this imbalance when the appropriate opportunities arise.

The Act allows an employee to bring a claim on pay discrimination even when no direct male or female comparator is employed.

The Board will not implement conditions of employment restricting staff from making public what they are paid when attempting to identify discrimination.

## **3.0 Positive Action**

Prior to the 2010 legislation, 'positive action' was permitted to allow employers to encourage applications for employment from under represented groups.

Positive action does not mean positive discrimination. Recruitment or promotion must still be based on merit. A person cannot be appointed just because he or she possesses a protected characteristic. That would be positive discrimination, which continues to be unlawful in the UK.

The Board will take proportionate measures to overcome any perceived disadvantage or to meet specific needs for a person with a protected characteristic, much along the lines of providing facilities for disabled persons.

## **4.0 Public Sector Duties**

The Act brings together the existing public sector equalities duties covering disability, gender and race under a new single duty which includes age, gender reassignment, pregnancy and maternity, religion and belief, and sexual orientation.

The Board when carrying out its functions will have due regard to the need to:

- Eliminate discrimination, harassment, victimisation and any other conduct prohibited by the Act;
- Advance equality of opportunity between persons sharing a protected characteristic and persons who do not share it; and
- Foster good relations between person who share a protected characteristic and persons who do not share it.
- Consider the needs of all individuals in their day to day work, in developing policy, in delivering services, and in relation to their own employees.

Consideration of equality issues must influence the decisions reached by the Board – such as in how we act as employers; how we develop, evaluate and review policy; how we design, deliver and evaluate services and how we commission and procure services from others.

## **5.0 Specific Equality Duties**

The Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012 require those authorities listed in the Regulations, unless otherwise exempted, to comply with the following duties;

- To report progress on mainstreaming the Equality Duty.
- To publish equality outcomes and report progress.
- To Equality Impact Assess Policies and Practices.
- To gather and to use employee information.
- To consider award criteria in relation to public procurement.
- To publish required information in a manner which is accessible.
- To publish gender pay gap information. The Board has less than 150 employees and is therefore not subject to this duty.

- To publish statements on equal pay. The Board has less than 150 employees and is therefore not subject to this duty.

The Board is committed to integrating equality into its processes and ensuring that equality features explicitly and proportionately in its business operations.

## **6.0 Monitoring**

Reports will be prepared and published on the Board's website annually to present staff statistics on the following:

- Analysis of data by age
- Analysis of data by carer responsibility
- Analysis of data by disability
- Analysis of data by gender reassignment
- Analysis of data by marriage and civil partnership
- Analysis of data by pregnancy and maternity
- Analysis of data by race
- Analysis of data by religion or belief
- Analysis of data by sex
- Analysis of data by sexual orientation

These reports will be used to identify where inequality exists and where actions are required in respect of any of the protected characteristics.

Use of the information from Staff Monitoring forms an essential part of our revised equalities outcomes. More information on this area can be found under Equalities Outcomes.

## **7.0 Customer Consultation**

The Board issues, on a regular basis, Customer Consultation questionnaires which are statistically analysed to allow an annual report on stakeholder opinions on the service provided. This customer consultation examines the returns from all persons with, and without, protected characteristics and will continue to be used to identify where inequality exists in service provision or where positive actions are required in respect of any of the protected characteristics.

The Board also operates a Customer Complaints Policy with a suggestion, comments and complaints forms available online.

Use of the information from Customer Consultation Questionnaires forms an essential part of our revised equalities outcomes. More information on this area can be found under Equalities Outcomes.

## **8.0 Access to the Board's premises and Information**

Assessments have been made of the Board's premises and accesses have been improved, disabled toilets installed and a hearing loop installed where required. Unfortunately access to the upper floors of both offices is restricted for some disabled stakeholders but provision has been made to allow all services to be provided on the ground floors.

The Board has contracted with LanguageLine, a translation service, to provide translations whenever necessary and staff are retrained annually on its application.

Those publications made on paper can generally also be made available, on request, in different languages, in Braille, audio tapes and other similar mediums.

Most forms issued provide details of how to obtain these alternative formats.

## **9.0 Training**

The Board has identified and put in place arrangements for training its staff in relation to its duties to promote equality. The Board is committed to ensuring that staff receive adequate training in these areas. A rolling programme of refresher training on equalities and the equalities duties is embedded into our core training programme that covers all members of staff.

The Board considers it important that its own members receive training in its obligations with regard to equality, and will ensure that current and future members participate in training programmes provided by its constituent authorities.

A statement of commitment to Equality is included in staff Induction packs. All new staff, through the induction procedures, are made aware of all relevant Equality issues and retraining of all staff takes place when required.

Our Core Training programme also includes an annual refresh of Language Line Training.

## **10.0 Equality Impact Assessments**

There has never been a formal legal requirement on the Board to produce formal Equality Impact Assessments and no formal requirement exists in the new public sector Equality Duty. The Valuation Joint Board however remain committed to conducting Equalities Impact Assessments (EIAs) on all new and amended Policies and changes to service provision. The Management Team of the Board uses its established Risk Management approach to identify the effects of changes of policy and legislation on persons with protected characteristics. Negative effects for these persons are avoided, mitigated or accepted as appropriate and, where the risk is deemed to be high, a full Impact Assessment is carried out. The Impact Assessment identifies where the Joint



Board can promote equality of opportunity and any gaps in policy or adverse effects will be addressed.

The details of the approach to full Impact Assessments will vary depending upon the nature of the change and its likely effect for persons with protected characteristics but each will include the following general steps:

- (a) Consider all available data and research findings
- (b) Assess the effect on persons (as above)
- (c) Consider mitigation action
- (d) Consider alternative approaches and opportunities to promote equalities
- (e) Decide on the most appropriate actions
- (f) Establish arrangements for monitoring outcomes
- (g) Publish the Impact Assessment
- (h) Promote positive effects

The assessments are provided to the Valuation Joint Board meetings accordingly.

# Workforce Monitoring Report for 2015

## Introduction

Dunbartonshire and Argyll & Bute Valuation Joint Board (the Board) is committed to providing a working environment which values diversity. It fosters a workplace culture which is free from unlawful discrimination, harassment, victimisation or bullying and where all employees and the wider community they serve are treated with dignity and respect.

As an employer, the Board has made progress in fostering an inclusive working environment by:

- Introducing a range of policies and practices, including Flexible Working, Equality at Work and Dignity at Work which promote equality at work, foster a positive working environment and eliminate unlawful discrimination, harassment and victimisation. A Disability Leave Policy has also been introduced and several employees have tailored adjustment agreements to reflect their particular needs. All policies which impact on employees have been developed in consultation with Trades Unions.
- Mainstreaming equality into training and development,
- Setting up an Equality Champion to promote equality across all Board services. The Champion is a member of and reports to the Management Team on a regular basis,
- Including Equality as a core competency in our Performance and Development Review system.
- Including Equalities as a standing agenda item for Management Team Meetings

The Board recognises, however, that we must ensure that any steps taken to promote equality translate into meaningful change for employees and that our duty to advance equality of opportunity is an ongoing one.

One of the key tools we can use to evaluate the effectiveness of our equality measures is to annually monitor the make up of our workforce. By doing this, we are better able to identify any equality issues in employment and take action to overcome any disadvantage. Monitoring also enables us to understand the impact of our policies and procedures on employees and identify any trends or patterns.

We will use our workforce monitoring data to:

- Identify areas of occupational segregation by gender and consider measures to address these.
- Identify any disparities in the profile of our workforce by protected characteristic.
- Develop equality outcomes to overcome disadvantage and further the equality duty
- Compare our data with any available national statistics.
- Identify gaps in workforce data and take steps to address these.

### **Legal Framework**

By embracing the diversity of our employees and maximising their individual potential, we can foster innovation, deliver high quality services and create a positive workplace culture. As a public body, the Board also has legal obligations under the Public Sector Equality Duty to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act 2010
- Advance equality of opportunity between those who share a protected characteristic and those who do not
- Foster good relations between those who share a protected characteristic and those who do not.

The Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012 came into force in May 2012. These duties require us to gather and publish information annually on the composition of our workforce and on the recruitment, development and retention of our employees with respect to their protected characteristics.

Non statutory guidance from the Equality and Human Rights Commission on the specific duties recommends that organisations work towards gathering and using information disaggregated by protected characteristics on the following:

- Recruitment and promotion
- Numbers of part-time and full-time staff
- Pay and remuneration
- Training and development
- Return to work of women on maternity leave
- Return to work of disabled employees following sick leave relating to their disability
- Grievances (including about harassment)

- Disciplinary action (including for harassment)
- Dismissals and other reasons for leaving.

Where possible, this report will report on the aforementioned categories by protected characteristic. Where our reporting mechanisms are unable to provide information, we will highlight the gaps and take steps to gather the data for our next annual monitoring report.

A series of information sessions were held with staff to ensure that they were fully aware of the significance of the information being requested. The information sessions were useful in sparking debate and discussion on many areas and information provided by Stonewall and the Equalities and Human Rights Commission was central to informing the debate. The data from our workforce used within this report was ingathered during March and April 2015. Reporting categories for our workforce are age, carer responsibility, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion and belief, sex, and sexual orientation.

### **Scope of Report**

This report provides an overview of our workforce profile as at 1st April 2015 and is structured as follows:

- Analysis of data by age
- Analysis of data by carer responsibility
- Analysis of data by disability
- Analysis of data by gender reassignment
- Analysis of data by marriage and civil partnership
- Analysis of data by pregnancy and maternity
- Analysis of data by race
- Analysis of data by religion or belief
- Analysis of data by sex
- Analysis of data by sexual orientation
- Developing the equality outcomes
- The equality outcomes for 2013

## Analysis by Protected Characteristic

### Age

#### Age Profile of Workforce

- The largest percentage of our workforce is made up by employees in the 41 to 59 age group which make up 64% of staff. 21% of employees are aged 31 to 40 and 10% are 22 to 30. 6% are over 61.

#### Grievance by Age

- There have been no recorded grievances since April 2013

#### Disciplinary Proceedings by Age

- There have been no disciplinary proceedings since April 2013

Age Range	Percentage of Staff
16 -17	0
18 -21	0
22 – 30	10%
31 – 40	21%
41 – 50	33%
51 – 60	31%
61 – 65	6%
66 – 70	0
71+	0
Do not wish to declare	0

## Analysis by Protected Characteristic

### Carer Responsibility

#### Profile of Workforce

- 19% of the staff have caring responsibilities while 79% have none. The remainder did not wish to declare

#### Grievance by Carer Responsibility

- There have been no recorded grievances since April 2013

#### Disciplinary Proceedings by Carer Responsibility

- There have been no disciplinary proceedings since April 2013

<b>Carer Responsibility</b>	<b>Percentage of Staff</b>
No	79%
Yes	19%
Do not wish to declare	2%

## Analysis by Protected Characteristic

### Disability

#### Disability Profile of Workforce

- 23% of employees have stated that they have a disability. 75% do not have a disability. The remainder did not wish to declare. This is a significant change from our original workforce monitoring report where 5% of employees declared a disability. The change in the level of declaration for this Characteristic is due to a better understanding of the definition of disability within the Act and better engagement with staff. This data suggests that level of employees with a disability within our workforce is similar to the Scottish Working age population as a whole<sup>1</sup>.

#### Disability and Grievance

- There have been no recorded grievances since April 2013

#### Disciplinary Proceedings

- There have been no disciplinary proceedings since April 2013

Disability	Percentage of Staff
No	75%
Yes	23%
Do not wish to declare	2%

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<sup>1</sup> <http://www.scotland.gov.uk/Topics/People/Equality/disability>

## Analysis by Protected Characteristic

### Gender Reassignment

#### Workforce Profile by Gender Reassignment

- None of the workforce declared that they have undergone gender reassignment

#### Gender Reassignment and Grievance

- There have been no recorded grievances since April 2013

#### Disciplinary Proceedings by Gender Reassignment

- There have been no disciplinary proceedings since April 2013

Gender Reassignment	Percentage of Staff
No	100%
Yes	0
Do not wish to declare	0



## Analysis by Protected Characteristic

### Marital Status & Civil Partnership

#### Workforce Profile by Marital/ Civil Partnership Status

- 65% of the Board's employees are married. 25% have never been married or registered in a same sex partnership. 8% are divorced, and 2% are married and separated.

#### Marital Status, Civil Partnership and Grievance

- There have been no recorded grievances since April 2013

#### Disciplinary Proceedings

- There have been no disciplinary proceedings since April 2013

<b>Marriage and Civil Partnership</b>	<b>Percentage of Staff</b>
Divorced	8
Formerly in same sex partnership which is now legally dissolved	0
In registered same sex civil partnership	0
Married	65
Never married or registered in same sex partnership	25
Separated but married	2
Separated but still in same sex civil partnership	0
Surviving partner from same sex civil partnership	0
Widowed	0
Do not wish to declare	0

## Analysis by Protected Characteristic

### Pregnancy and Maternity

#### Return to Work of Women on Maternity Leave

- One member of staff was on Maternity leave at the time of the survey.

Staff Pregnant	Maternity under 26 weeks
0	1

## Analysis by Protected Characteristic

### Race

#### Racial Profile of Workforce

- 100% of staff are British, English, Northern Irish or Scottish.

#### Grievance by Ethnicity

- There have been no recorded grievances since April 2013

#### Disciplinary Proceedings by Ethnicity

- There have been no disciplinary proceedings since April 2013

Race	Collective Group	Percentage of Staff
British, English, NI, Scottish	White	100%

## Analysis by Protected Characteristic

### Religion and Belief

#### Profile of Workforce

- 74% of staff declared as Christian, 20% have no religion. 2% declared as Buddhist.

#### Grievance by Religious Belief

- There have been no recorded grievances since April 2013

#### Disciplinary Proceedings by Religious Belief

- There have been no disciplinary proceedings since April 2013

Religion and Belief	Percentage of Staff
Buddhist	2%
Christian	74%
Hindu	0
Jewish	0
Muslim	0
No Religion	20%
Other	2%
Sikh	0
Do not wish to declare	2%

## Analysis by Protected Characteristic

### Sex

#### Gender Profile of Workforce

- The Board's workforce is predominantly female, with 58% of employees being female and 42% male. However this is closer to parity than the national position within local authorities, where 71.2% (179,100) of people in employment in Local Authorities in Scotland are female compared with 28.8% (72,400) being male.<sup>2</sup>

#### Grievances by Gender

- There have been no recorded grievances since April 2013

#### Disciplinary Proceedings by Gender

- There have been no disciplinary proceedings since April 2013

Gender	Percentage of Staff
Female	58%
Male	42%

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<sup>2</sup> <http://www.scotland.gov.uk/Topics/Statistics/Browse/Labour-Market/PublicSectorEmployment/PSEwebtables> 2102

## Analysis by Protected Characteristic

### Sexual Orientation

Workforce profile by Sexual Orientation

- 100% of the staff are heterosexual straight.

Grievance by Sexual Orientation

- There have been no recorded grievances since April 2013

Disciplinary Proceedings by Sexual Orientation

- There have been no disciplinary proceedings since April 2013

Sexual Orientation	Percentage of Staff
Bisexual	0
Gay or Lesbian	0
Heterosexual straight	100%
Other	0
Do not wish to declare	0

## **Training**

The Electoral Registration function of the Board has seen dramatic changes over the last year to 18 months, with significant electoral events including the European Elections and the Scottish Independence Referendum. In addition to this the whole method of Electoral Registration changed in Scotland on 19<sup>th</sup> September 2014.

In preparation for this event and continuing after the event all members of staff have undertaken training in Individual Electoral Registration. This includes staff who are not directly involved in day to day Electoral Registration work.

There has also been the introduction of Core Training which has formalised the training for a number of topics that are essential for all employees to undertake. Topics within this include Equalities, Health and Safety and Information Security.

The Core Training programme will be expanded in the coming months to include Core Training for managers / supervisors. Since the last mainstreaming report all supervisors have undergone training in the application of the new Attendance Management and Disability Leave Scheme.

Therefore training has been provide and planned across the workforce. We will be looking to develop our workforce monitoring for training to attempt to provide qualitative as well as quantitative information on the training provided.

## Recruitment Monitoring for 2014/15

The Joint Board use of the National Recruitment Portal ([www.myjobscotland.gov.uk](http://www.myjobscotland.gov.uk)) submitting equalities data is not mandatory for applicants and is not made available to the recruitment panel, other than disability information. If a candidate meets the minimum job requirements and states that they have a disability then they are guaranteed an interview.

The Board is supported in our recruitment processes by West Dunbartonshire Council. The recruitment portal has recently expanded the equalities monitoring information to include all protected characteristics although the categories within the protected characteristics in some instances do not mirror exactly those within our employee survey.

During 2014/15 The Board advertised and recruited 2 posts, due to the possibility of identifying individuals from this no equality information will be published for the successful applicants other than that contained within our overall workforce monitoring.

The following information relates to the applications received for the post.

<b>Age Range</b>	<b>Percentage of Applicants</b>
16 -17	4%
18 -21	11%
22 – 30	50%
31 – 40	24%
41 – 50	11%
51 – 60	1%
61 – 65	0%
66 – 70	0%
71+	0%
Do not wish to declare	0%

<b>Carer Responsibility</b>	<b>Percentage of Applicants</b>
No	18%
Yes	9%
Do not wish to declare	73%

<b>Disability</b>	<b>Percentage of Applicants</b>
No	92%
Yes	6%
Do not wish to declare	2%

<b>Gender Reassignment</b>	<b>Percentage of Applicants</b>
No	97%
Yes	1%
Do not wish to declare	2%



<b>Marriage and Civil Partnership</b>	<b>Percentage of Applicants</b>
Divorced	2%
Living with Partner	20%
Married / Civil Partnership	17%
Single	58%
Separated	2%
Do not wish to declare	2%

<b>Ethnicity</b>	<b>Percentage of Applicants</b>
White British, English, NI, Scottish	93%
Asian Pakistani	1%
Asian Chinese	1%
Black African	3%
Other	1%
Do not wish to declare	2%

<b>Religion and Belief</b>	<b>Percentage of Applicants</b>
Buddhist	1%
Christian	44%
Muslim	1%
No Religion	45%
Humanist	1%
Do not wish to declare	8%

<b>Gender</b>	<b>Percentage of Applicants</b>
Female	37%
Male	63%

<b>Sexual Orientation</b>	<b>Percentage of Applicants</b>
Bisexual	2%
Gay or Lesbian	2%
Heterosexual straight	93%
Other	0%
Do not wish to declare	3%

## Equality Outcomes

During mid 2014 The Board was invited to take part in a project to improve the Equality Outcomes that were originally published in 2013. The 2013 Outcomes were perceived to be not measurable and did not cover all of the protected characteristics, whilst the themes of the 2013 outcomes remain as an aspiration, the focus for the Board will be on fulfilling the 2014 outcomes.

### Equalities Outcome 1:

We are seen as an inclusive equal opportunities employer where all staff feel valued and respected.

### Context

Having undertaken our original staff survey the data suggested that disabled employees are under represented within our workforce as information from the Scottish Government shows that nearly 1 in 5 (19%) people of working age in Scotland are disabled.

Similarly, nobody declared themselves to be LGB and being aware of the findings within the 2012 Scottish Household Survey where it was felt that underreporting of this protected characteristic was likely. DAB-VJB is committed to providing an environment where members of our staff can confidently declare their status. Prior to the issue of our next staff survey we will review the form and method of return to ensure this is not an impediment to accurate reporting, we will also utilise materials provided by equalities groups and attempt to work with staff groups to ensure an environment where all members of staff are confident and able to accurately declare their characteristics.

### How will we measure this?

Description	Base line*	Performance Indicator	Update Frequency	Data Source
% of our workforce who have declared a disability	5%	Increase in the percentage of people who self declare a disability	Annual	Annual Staff survey
% of our workforce who have stated they are LGB	0%	Increase in the percentage of people who self declare they are LGB	Annual	Annual staff survey

\*Baseline established from December 2012 staff survey

## General Equality Duty

Advance equality of opportunity between people who share a relevant protected characteristic and those that do not.

## **Progress Made**

Since the adoption of this Equality Outcome we have used our employee information to identify the need to better inform our employees about the protected characteristics. There were a series of information events held covering topics such as the definition found within the Equality Act for Disability, how the information is handled and what it is used for. Information from a variety of groups such as Stonewall and the Equality and Human Rights Commission has also been made available. This has led to an increase in the number members of staff who identified themselves as having a disability and it is now slightly above the national average for working age population.

The percentage of people declaring themselves to be LGB remains at zero and work will continue to ensure that any LGB members of staff can feel confident about declaring their status. However it should be noted that information contained in the Scottish Government website suggests that there is possibly underreporting of this characteristic for a number of reasons including:

- Asking about sexual orientation/identity is a new development in national surveys and such questions can be seen as intrusive and personal.
- There is still significant prejudice and discrimination against LGB people in society. In a context where some LGB people will not have told friends and family about their sexual identity, there is a real question about whether LGB people generally would want to be open with an interviewer.
- The default option for being uncertain about one's sexual orientation may be to respond 'straight/heterosexual' rather than to say 'Don't know / not sure'.
- Particular LGB people are still less likely to be open where they belong to groups or communities where an LGB identity is less acceptable.

See: <http://www.gov.scot/Topics/People/Equality/Equalities/DataGrid/SexualOrientation>

It is within this context that we will continue to try to create an environment where LGB members of staff can feel confident about declaring this characteristic.

## Equality Outcome 2:

Our Services meet the needs of, and are accessible to, all member of our community and our staff treat all service users, clients and colleagues with dignity and respect.

### Context

Whilst DAB-VJB have consistently achieved high customer satisfaction rates this has not been analysed across all the current protected characteristics. At this point in time we do not know if we are providing a consistent level of service throughout the community. Information arising out of this will be critical in informing the formation of further equality outcomes in the future.

### How will we measure this?

Description	Base line	Performance Indicator	Update Frequency	Data Source
% of disabled people who rate DAB-VJB as professional, courteous and helpful	To be established in revised customer satisfaction survey	To have similar levels of customer satisfaction across all protected characteristics	Annual	Annual Customer Satisfaction Survey
% of Females who rate DAB-VJB as professional, courteous and helpful	To be established in revised customer satisfaction survey	To have similar levels of customer satisfaction across all protected characteristics	Annual	Annual Customer Satisfaction Survey
% of Males who rate DAB-VJB as professional, courteous and helpful	To be established in revised customer satisfaction survey	To have similar levels of customer satisfaction across all protected characteristics	Annual	Annual Customer Satisfaction Survey
% of People aged 50+ who rate DAB-VJB as professional, courteous and helpful	To be established in revised customer satisfaction survey	To have similar levels of customer satisfaction across all protected characteristics	Annual	Annual Customer Satisfaction Survey
% of people under 30 who rate DAB-VJB as professional,	To be established in revised customer satisfaction	To have similar levels of customer satisfaction across all	Annual	Annual Customer Satisfaction Survey

courteous and helpful	survey	protected characteristics		
% of BME people who rate DAB-VJB as professional, courteous and helpful	To be established in revised customer satisfaction survey	To have similar levels of customer satisfaction across all protected characteristics	Annual	Annual Customer Satisfaction Survey
% of LGB people who rate DAB-VJB as professional, courteous and helpful	To be established in revised customer satisfaction survey	To have similar levels of customer satisfaction across all protected characteristics	Annual	Annual Customer Satisfaction Survey
% of Heterosexual people who rate DAB-VJB as professional, courteous and helpful	To be established in revised customer satisfaction survey	To have similar levels of customer satisfaction across all protected characteristics	Annual	Annual Customer Satisfaction Survey
% of people from minority religions who rate DAB-VJB as professional, courteous and helpful	To be established in revised customer satisfaction survey	To have similar levels of customer satisfaction across all protected characteristics	Annual	Annual Customer Satisfaction Survey
% of Christians who rate DAB-VJB as professional, courteous and helpful	To be established in revised customer satisfaction survey	To have similar levels of customer satisfaction across all protected characteristics	Annual	Annual Customer Satisfaction Survey
% of those with no religious belief who rate DAB-VJB as professional, courteous and helpful	To be established in revised customer satisfaction survey	To have similar levels of customer satisfaction across all protected characteristics	Annual	Annual Customer Satisfaction Survey

## **General Equality Duty**

Advance equality of opportunity between people who share a relevant protected characteristic and those that do not.

### **Progress Made**

Recent changes to the method of recording the information submitted will be further refined and, whilst full year data is not yet available, at the time of writing this report, the half year data suggests that there is little evidence to show a significant difference in user satisfaction across the protected characteristics. Although we cannot be complacent as this is a relatively small sample.

Full year data will be published once available.

Given the recent changes to Electoral Registration, the 2017 Revaluation and possible changes to the Council Tax system this outcome will be invaluable in measuring how well we are providing our services to all within the community we serve.

**A large print version or a translation of this document into other languages can be provided.**

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

Report by Assessor & Electoral Registration Officer

Valuation Joint Board – 12 June 2015

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## **Subject: Performance Management – Senior Officers**

### **1.0 Purpose**

- 1.1 To advise members of the Joint Board of progress in relation to the Individual Performance Management Procedures for Senior Officers.

### **2.0 Background**

- 2.1 At its meeting on 20th June 2014 the Joint Board approved a 'Policy and Procedure on Individual Performance Management for Senior Officers'.
- 2.2 At that meeting, a Performance Management Committee, consisting of the Board Convenor and Vice Convenor, was established to carry out the process in respect of the Assessor and ERO. The Assessor and ERO is responsible for completing the process in respect of the Depute Assessor and ERO.
- 2.3 The Performance Management Framework comprises four key stages, each of which is carried out within the Annual Performance Review cycle:
  - 1. Objective and target setting
  - 2. Personal Development Planning
  - 3. In-year review and feedback meetings
  - 4. Formal Performance Review and Assessment

### **3.0 Current Position**

- 3.1 By the date of the Joint Board meeting, the above 4 stages will have been completed for the 2014/15 financial year in respect of both Senior Officer posts. Objectives, Targets and Development Plans will also have been agreed for 2015/16.

### **4.0/**



## **4.0 Recommendations**

4.1 Members are asked to note that:-

- (a) The Performance Management Procedures for Senior Officers have been completed for the 2014/15 year, and
- (b) The relevant procedures for the 2015/16 year have commenced.

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

Report by Assessor & Electoral Registration Officer

Valuation Joint Board – 12th June 2015

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**Subject: 2015/16 Revenue Estimates Update**

## **1.0 Purpose of Report**

- 1.1 To advise members of the Board of changes to the 2015/16 Revenue Estimates as approved in November 2014.

## **2.0 Background**

- 2.1 At its meeting on 21<sup>st</sup> November 2014 the Joint Board approved £2,747,793 of net revenue expenditure for the 2015/16 financial year with £83,333 of reserves being utilised to maintain constituent Council contributions at £2,664,460 (See Appendix 1).
- 2.2 The accompanying Report advised that the estimates contained an assumption of £98,000 of grant income being received from the Cabinet Office to cover the additional costs of implementing Individual Electoral Registration (IER).
- 2.3 Further, the Report identified several uncertainties in the costs involved in implementing IER.

## **3.0 Progress**

- 3.1 Confirmation has now been received from the Cabinet Office that our initial funding allocation will, in fact, be £75,417, leaving a potential shortfall of £22,573 against budget.
- 3.2 Further, the printing, postage and door-to-door canvass costs for 2014/15 were higher than estimated suggesting that projected expenditure for 2015/16 may be understated.
- 3.3 Engagement with the Cabinet Office regarding the potential shortfall in their funding award to the Board has resulted in the provision of an assurance that they will fully fund the cost of implementation of IER.
- 3.4 Since the Revenue Estimates were approved, it has become clear that there will be an additional requirement on EROs to capture 'young electors' to facilitate the extension of the franchise in Scotland. This will result in additional costs, though the Scottish Government has indicated that it will meet the additional costs of capturing and publishing the additional electors.

## **4.0 Next Steps**

- 4.1 I will engage with Cabinet Office in the coming weeks and months to seek such further funding as will be required to cover the net additional costs of implementing IER during 2015/16.
- 4.2 A review of the 2014/15 electoral 'write-out' will take place to ensure that additional costs will be kept to a minimum.
- 4.3 I will continue to liaise with the Scottish Government, as appropriate, to ensure that funding is received in respect of the additional costs of the extension of the franchise to young electors.
- 4.4 Regular internal budgetary control reports will be used to monitor the financial situation and progress in relation to the above will be reported to the Joint Board at its next meeting.

## **5.0 Recommendations**

Members are asked to note:

- (a) the update as detailed in the report though, at this stage it is anticipated that the cost of implementation of IER will be fully funded by central government, and that being the case, there is no expectation of additional contributions being requisitioned;
  - (b) that the ERO has taken and will continue to take steps to mitigate any detrimental effect on the total net expenditure; and
  - (c) that an update will be provided to a future Board meeting.
- 

Person to contact:

David Thomson (Assessor and ERO)

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## Appendices

Appendix 1: Approved Revenue Estimates 2015/16

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

**Appendix 1**

**PROBABLE OUTTURN 2014/15 & REVENUE ESTIMATES 2015/16**

2013/14		2014/15	2014/15	2014/15	2015/16	2016/17	2017/18
OUTTURN	DESCRIPTION	REVISED ESTIMATE	TO PER 06	PROBABLE	DRAFT ESTIMATE	INDICATIVE ESTIMATE	INDICATIVE ESTIMATE
		£	£	£	£	£	£
1,615,309	APT&C - SALARIES	1,709,955	829,610	1,682,533	1,725,327	1,757,861	1,791,742
4,655	APT&C - OVERTIME	4,000	10,156	26,000	4,000	4,000	4,000
15,246	APT&C - TEMP	25,000	0	25,000	25,000	25,000	25,000
296,424	APT&C - SUPERANN	307,792	153,034	309,140	317,353	323,337	329,569
122,961	APT&C - N.I.	122,140	62,446	129,219	132,476	172,660	175,588
2,894	TRAINING COSTS	4,200	5,092	7,000	5,000	5,000	5,000
45,703	TRAVEL & SUBSISTENCE	40,000	18,644	40,000	40,000	40,000	40,000
2,710	OTHER EMPLOYEE COSTS	6,000	549	2,000	1,500	1,500	1,500
8,969	PENSION INCREASES	10,000	4,095	9,100	9,100	9,100	9,100
<b>2,114,870</b>	<b>EMPLOYEE COSTS</b>	<b>2,229,087</b>	<b>1,083,626</b>	<b>2,229,991</b>	<b>2,259,755</b>	<b>2,338,458</b>	<b>2,381,498</b>
36,856	RATES	41,250	38,889	42,421	43,000	43,000	43,000
279	FURNITURE & FITTINGS	3,000	399	1,500	2,000	2,000	2,000
9,700	ELECTRICITY	14,315	2,720	10,300	11,178	11,656	12,239
10,314	GAS & OIL	13,200	2,531	10,500	10,815	11,139	11,474
16,373	CONTRACT CLEANING	16,748	7,224	16,985	17,240	17,498	17,761
7,130	OFFICE ACCOMMODATION	8,498	(337)	8,498	8,752	9,015	9,285
8,878	REPAIRS & MAINTENANCE	15,000	558	15,000	15,000	15,000	15,000
1,699	OTHER PROPERTY COSTS	3,500	939	2,500	3,500	3,500	3,500
<b>91,229</b>	<b>PROPERTY COSTS</b>	<b>115,510</b>	<b>52,923</b>	<b>107,704</b>	<b>111,485</b>	<b>112,809</b>	<b>114,259</b>
54	CLOTHING UNIFORMS ETC	500	0	500	800	800	800
389	COMPUTER EQUIPMENT	26,000	13,192	16,540	10,000	1,000	1,000
863	OFFICE EQUIPMENT	8,000	78	2,000	1,000	1,000	1,000
189	COMPUTER CONSUMABLES	500	36	200	200	200	200
7,432	COMPUTER LICENCES	12,000	6,198	8,988	8,988	8,988	8,988
12,974	MACHINE RENTAL / LEASE	16,000	6,982	13,000	14,200	14,200	14,200
1,851	OTHER S & S	4,000	669	1,500	3,000	3,000	3,000
<b>23,751</b>	<b>SUPPLIES &amp; SERVICES</b>	<b>67,000</b>	<b>27,155</b>	<b>42,728</b>	<b>38,188</b>	<b>29,188</b>	<b>29,188</b>
7,722	AUDIT FEES & OUTLAYS	7,281		7,722	7,722	7,722	7,722
<b>7,722</b>	<b>PAYMENTS TO OTHER BODIES</b>	<b>7,281</b>	<b>0</b>	<b>7,722</b>	<b>7,722</b>	<b>7,722</b>	<b>7,722</b>
7,005	PRINTING	10,000	44	10,000	15,000	15,000	15,000
15,554	STATIONERY	25,000	3,728	25,000	25,000	25,000	25,000
105,421	POSTAGES	125,000	18,516	125,000	125,000	125,000	125,000
17,672	TELEPHONES	50,000	8,928	30,000	49,000	29,000	29,000
5,519	TELEPHONES/INTERNET REG.	4,000	0	0	7,000	7,000	7,000
2,943	ADVERTISING/PUBLICITY	1,200	105	105	0	0	0
3,875	BOOKS & PUBLICATIONS	4,500	2,268	4,500	5,000	5,000	5,000
13,756	LAND VAL. APPEAL COURT	4,000	2,153	4,000	4,000	4,000	4,000
22,061	ELECTORAL SYSTEM SUPPORT	33,000	17,054	17,949	24,500	25,235	25,992
2,182	ELECTORAL PARTICIPATION	10,000	0	10,000	9,000	9,000	9,000
130,812	CENTRAL ADMIN COSTS	136,055	0	136,055	133,334	130,667	128,054
11,122	INSURANCE	11,750	11,750	11,750	12,103	12,103	12,103
3,949	OTHER ADMIN COSTS	4,800	4,998	5,100	6,000	6,000	6,000
14,978	INDEPENDENCE REFERENDUM COS	0	3,994	5,000	0	0	
<b>356,849</b>	<b>ADMIN COSTS</b>	<b>419,305</b>	<b>69,544</b>	<b>384,459</b>	<b>414,937</b>	<b>393,005</b>	<b>391,149</b>
5,618	COURSES & CONFERENCES	8,200	1,292	5,000	6,500	6,500	6,500
806	MISCELLANEOUS	1,500	0	806	806	806	806
34,178	VALUATION APPEALS PANEL	35,000	6,415	35,000	35,000	35,000	35,000
(317)	TEMPORARY INTEREST	(100)	0	(100)	(100)	(100)	(100)
<b>40,285</b>	<b>OTHER EXPENDITURE</b>	<b>44,600</b>	<b>7,707</b>	<b>40,706</b>	<b>42,206</b>	<b>42,206</b>	<b>42,206</b>
825.57	CAR LEASING	0	0	0	0	0	0
<b>826</b>	<b>LOAN CHARGES</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>2,635,532</b>	<b>GROSS EXPENDITURE</b>	<b>2,882,783</b>	<b>1,240,955</b>	<b>2,813,310</b>	<b>2,874,293</b>	<b>2,923,388</b>	<b>2,966,022</b>

2013/14		2014/15 REVISED ESTIMATE	2014/15 TO PER 06	2014/15 PROBABLE	2015/16 DRAFT ESTIMATE	2016/17 INDICATIVE ESTIMATE	2017/18 INDICATIVE ESTIMATE
OUTTURN	DESCRIPTION	£	£	£	£	£	£
24,879	RENTAL INCOME	24,878	0	25,104	25,000	25,000	25,000
4,783	SALES FEES & CHARGES	1,500	161	2,129	3,500	3,500	3,500
50,475	SPECIFIC GOVERNMENT GRANT	143,200	185,703	185,703	98,000	0	0
<b>80,137</b>	<b>GROSS INCOME</b>	<b>169,578</b>	<b>185,864</b>	<b>212,936</b>	<b>126,500</b>	<b>28,500</b>	<b>28,500</b>
<b>2,555,393</b>	<b>NET EXPENDITURE</b>	<b>2,713,205</b>	<b>1,055,091</b>	<b>2,600,374</b>	<b>2,747,793</b>	<b>2,894,888</b>	<b>2,937,522</b>
	REDUCTION IN CONTRIBUTION ASSUMED				0%	2%	2%
<b>2,664,460</b>	<b>CONSTITUENT CONTRIBUTION</b>	<b>2,664,460</b>		<b>2,664,460</b>	<b>2,664,460</b>	<b>2,611,171</b>	<b>2,558,947</b>
<b>(109,067)</b>	<b>TRANSFER TO/(FROM) RESERVES</b>	<b>(48,745)</b>		<b>64,086</b>	<b>(83,333)</b>	<b>0</b>	<b>0</b>
	<b>BUDGET GAP</b>				<b>0</b>	<b>283,717</b>	<b>378,574</b>

	2014/15	2015/16
	PROBABLE	ESTIMATE
<b><u>MOVEMENT IN RESERVES</u></b>		
(SURPLUS)/DEFICIT B/FWD	470,594	534,680
USE OF EARMARKED BALANCES	0	0
TRANSFER TO/(FROM) RESERVES	64,086	(83,333)
<b>SURPLUS/(DEFICIT) C/FWD</b>	<b>534,680</b>	<b>451,347</b>
<b><u>NOTE ON AVAILABLE BALANCES</u></b>		
SURPLUS/(DEFICIT) C/FWD	534,680	451,347
LESS PRUDENTIAL TARGET	(100,000)	(100,000)
<b>AVAILABLE FOR USE</b>	<b>434,680</b>	<b>351,347</b>

# **DUNBARTONSHIRE and ARGYLL & BUTE VALUATION JOINT BOARD**

## **Report by Treasurer**

**Valuation Joint Board - 12 June 2015**

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### **Subject: Draft Management Commentary & Financial Statement of Accounts for Year Ending 31 March 2015**

#### **1. Purpose**

- 1.1** The purpose of this report is to present to Members of the Board the draft Management Commentary and Financial Statement of Accounts for the year ending 31 March 2015.

#### **2. Background**

- 2.1** The Local Authority Accounts (Scotland) Regulations 2014 (the accounts regulations) came into force on 10 October 2014 and introduces a number of changes to the report and accounts, such as:
- (a)** The requirement to include a Management Commentary which is intended to assist readers in understanding the financial statements and the organisation that has prepared them;
  - (b)** Following best practice, the draft Management Commentary & Financial Statement of Accounts should be reported to the Board for formal consideration prior to submission to the Accounts Commission by 30 June each year; and
  - (c)** The regulations require the notice of public right to inspect and object to Financial Statements to commence no later than 17 June 2015 with the accounts available for inspection by 1 July 2015.
- 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 (£53,289) or £100,000 which ever is higher. As at 31 March 2014, the Board held balances of £ 470,594 of which £72,745 was earmarked, leaving £397,849 free revenue and capital reserves.

### **3. Main Issues**

- 3.1** The draft Management Commentary and Statement of Accounts for year ended 31 March 2015 are appended to this report.
- 3.2** The Management Commentary (pages 2 to 22) consists of the historic Assessor Report and the Treasurer's foreword plus other areas not reported previously such as service changes and developments, impact on financial climate and risks, provisions and contingencies.
- 3.3** The Annual Governance Statement is included on pages 27 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.
- 3.4** Members' attention is drawn to the Statement of Responsibilities on page 26.
- 3.5** The Management Commentary summarises the financial position of the Joint Board. The Joint Board's 2014/15 budget was constructed to break even using £48,745 of balances. The Valuation Joint Board completed the year with a further contribution to the funds brought forward of £125,749 and did not need to access reserves. This contribution, together with the unused planned use of £48,745 results in an overall underspend against budget in-year of £174,494.

The main variances are showing in the table below.

	<b>Variance</b>	<b>Comments</b>
	<b>£</b>	
Employee Costs	21,104	This underspend is mainly due to delaying and non filling of vacancies; overtime costs were lower than anticipated.
Property	13,781	This underspend is mainly due to lower than anticipated expenditure on energy and repairs and maintenance.
Supplies & Services	42,609	This underspend is across a number of headings (such as office & computer equipment, computer licences, telephones, courses & conferences).
Income	98,071	Grant income was more than anticipated.

**3.6** As at 31 March 2015 the Board held total usable reserves of £646,893 (of which £50,550 are unapplied capital reserves), with the remaining balance comprising revenue reserves of £596,343. A proportion of this is identified as an earmarked balance (£83,333) and once this has been accounted for leaves £513,010 of general reserves for future use (including £100,000 prudential reserve above).

**3.7** The Board recognises the difficult financial climate facing public services and has continued to seek efficiencies where possible. This has allowed the Board to maintain requisition levels in 2014/15 at 2013/14 levels. It is anticipated that future planned draws on the reserves may be required to ensure that a balanced budget is delivered for 2015/16 onwards given the forecast reduction in funding for local government and the increasing workload to the Board.

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

**4.1** Members are requested to note the Draft Management Commentary and Financial Statements for the year to 31 March 2015.

.....  
**Stephen West**  
**Treasurer**  
**Date: 2 June 2015**

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

**Appendix:** **Annual Report and Financial Statements**



***DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD  
MANAGEMENT COMMENTARY AND FINANCIAL STATEMENT OF ACCOUNTS***

**JOINT BOARD MEMBERS & OFFICIALS AS AT 31 MARCH 2015**

**ARGYLL & BUTE COUNCIL**

Councillor John Armour  
Councillor Richard Trail  
Councillor John McAlpine  
Councillor Gordon Blair  
Councillor Donald MacMillan

**EAST DUNBARTONSHIRE COUNCIL**

Councillor Jim Gibbons  
Councillor Vaughan Moody (Vice Chair)  
Councillor John Jamieson  
Councillor Manjinder Shergill  
Councillor Bill Hendry  
Councillor Michael O'Donnell

**WEST DUNBARTONSHIRE COUNCIL**

Councillor Jim Brown (Chair)  
Councillor Jonathan McColl  
Councillor Tommy Rainey  
Councillor Kath Ryall  
Councillor Lawrence O'Neill

**OFFICIALS**

David Thomson (Assessor)  
Robert Nicol (Depute Assessor)  
Peter Hessett (Clerk)  
Stephen West (Treasurer)

# ***DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD MANAGEMENT COMMENTARY AND FINANCIAL STATEMENT OF ACCOUNTS***

## **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, effective and responsive services to all of our stakeholders.

### **COMMITMENTS**

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 equal opportunities requirements
- Striving for continuous improvement in all aspects of service delivery
- Ensuring that we are accessible and accountable to stakeholders
- Pro-actively planning workloads and deploying resources efficiently
- Using language which is easy to understand
- Working with our partners in the Scottish Assessors' Association to ensure Scotland-wide consistency of approach to service delivery

# ***DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD MANAGEMENT COMMENTARY AND FINANCIAL STATEMENT OF ACCOUNTS***

## **1.0 INTRODUCTION**

I am pleased to present the Joint Board's Management Commentary and Financial Statements in relation to the 2014/15 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 ERO over the past year and provide information on the performance levels achieved in carrying out the statutory duties of the organisation.

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

The 2010 Non-Domestic Rating Revaluation came into effect at 1<sup>st</sup> April 2010 and, in 2012 the 2015 Revaluation was postponed until 1<sup>st</sup> April 2017. Appeal activity arising directly from the 2010 Revaluation is now at a very low level, though running roll and 'material change of circumstance' appeals were received throughout the 2014/15 year.

In relation to our Council Tax functions, more new dwellings were added to the Council Tax Lists than in any year since the collation of performance statistics commenced in 2000/01.

During 2014/15 our Electoral Registration functions changed considerably as well as implementing the transitional phase of the change to Individual Electoral Registration (IER) (as opposed to household registration) on 19<sup>th</sup> September, we provided registers for the European Parliamentary elections in May 2014, the Scottish Independence Referendum in September and 4 different by-elections to Argyll & Bute Council, throughout the year. The referendum involved the compilation of a young person's register of 16 and 17 year-old electors for the first time and registration activity in the run up to the event reached levels which could never have been predicted. For the first time in memory, the annual canvass, as we know it, was suspended to permit the transition to IER and the timing of this activity was postponed until after the referendum. Revised registers were published on 27<sup>th</sup> February 2015 in accordance with the revised timetable.

Following the resignation from Argyll & Bute Council of Councillor Fred Hall, Councillor Donald MacMillan was appointed to be a Joint Board member. Councillor MacMillan is a past Convenor of the Joint Board and his experience is very welcome. In September 2014 Councillor John Semple resigned from Argyll & Bute Council and his place on the Joint Board was taken, in December, by newly elected Councillor John Armour.

The VJB Management Team continues to be the main forum for decision making within the organisation. It met regularly throughout 2014/15 to manage statutory functions and operations, and develop, implement and monitor policies and strategies.

## **2.0 GENERAL PROGRESS IN RELATION TO STATUTORY FUNCTIONS**

### **2.1 NON-DOMESTIC RATING**

#### **Aims**

- To carry out a general revaluation, normally every 5 years, though the current government have delayed the next Revaluation until April 2017.
- 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 issue Valuation Notices to the appropriate parties shown in the Valuation Roll.
- To 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 Valuation Roll, make it available to the rating authority, the Keeper of Records and other interested parties.
- To deal with appeals by discussion with ratepayers or their agents, or by hearing of appeals before the appropriate valuation appeal courts.

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

## **MANAGEMENT COMMENTARY AND FINANCIAL STATEMENT OF ACCOUNTS**

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

#### **Maintenance of the Valuation Roll**

Throughout the year, professional and technical staff have been involved in the routine updating of the Valuation Roll to take account of additions, alterations and deletions. 950 amendments were made to the Valuation Roll during the year.

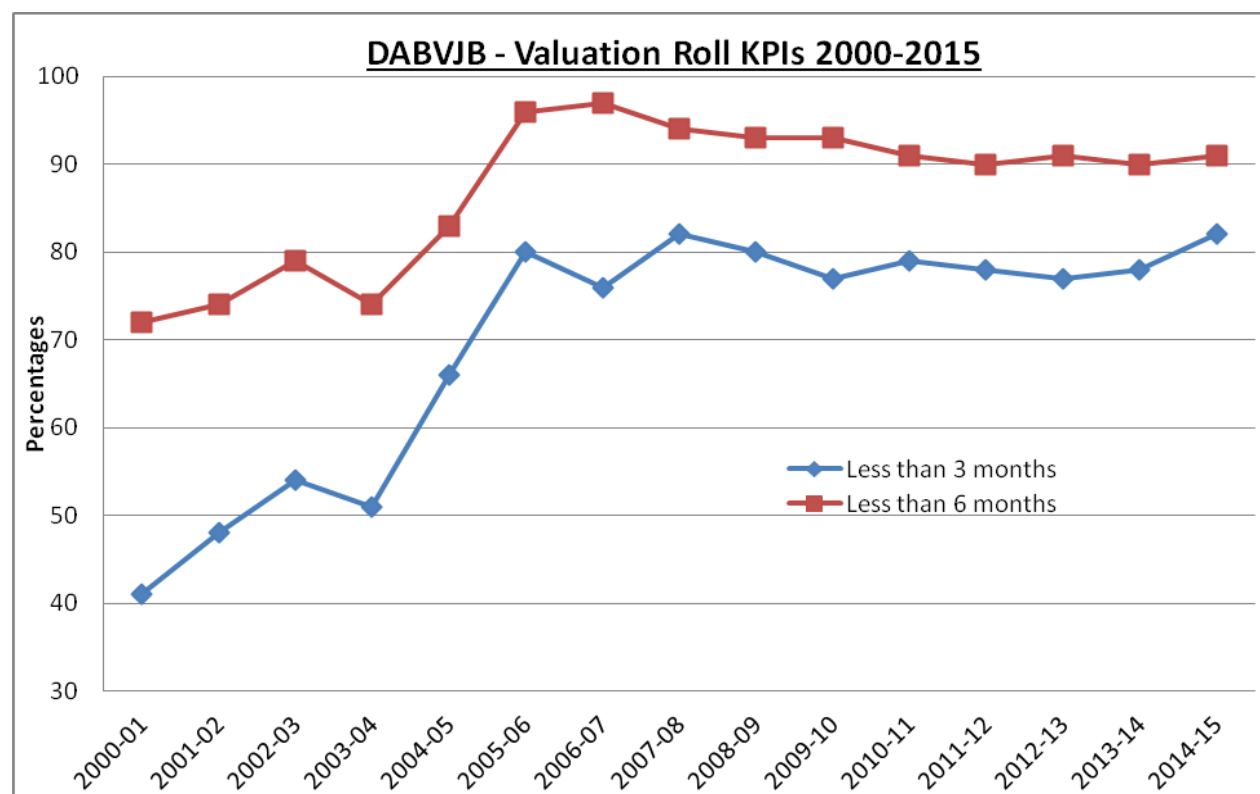
Total No of entries @ 1st April 2014	13,207
Total Rateable Value @ 1st April 2014	£328.2 million
Total Number of entries @ 31st March 2015	13,564
Total Rateable Value @ 31st March 2015	£328.7million

The Key Performance Indicator in relation to non-domestic valuation has been defined as the time taken from the date on which amendments to the Valuation Roll are effective to the date a Valuation Notice in respect of that change is issued. The following table sets out the target and actual performance information for 2014/15 compared with the actual figures for 2013/14.

Period	Actual 2013/14	Target 2014/15	Actual 2014/15			
			Argyll & Bute	West Dunbartonshire	East Dunbartonshire	Whole VJB Area
0-3 months	78%	80%	84.13%	76.74%	79.08%	<b>82.32%</b>
3-6 months	12%	14%	8.98%	8.53%	6.54%	<b>8.53%</b>
>6 months	10%	6%	6.89%	14.73%	14.38%	<b>9.16%</b>

Our performance in respect of maintenance of the Valuation Roll was up on last year and our target for changes within 3 months was exceeded. We did not achieve our target of making 94% of changes within 6 months but this was attributable, largely, to the requirement to amend Valuation Rolls late in the financial year to take effect to a decision of the Lands Valuation Appeal Court in respect of Mobile Telecommunication network entries.

Our performance over the period since 2000 is shown below.



# ***DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD MANAGEMENT COMMENTARY AND FINANCIAL STATEMENT OF ACCOUNTS***

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

During the year a new management report was introduced which will improve the focus on performance throughout the year.

### **2005 Revaluation**

The vast majority of Revaluation appeals had been disposed of by the statutory deadline of 31<sup>st</sup> December 2008. Four appeals, having been referred to the Lands Tribunal, were outstanding at the start of the 2014/15 year. Three appeals relating to Canal entries have now been agreed leaving only one appeal outstanding.

### **2005 Running Roll Appeals**

At the start of 2014/15, 39 'Running Roll' appeals were outstanding from the 2005 Valuation Roll.

The majority of these relate to entries for Mobile Telecommunication Networks. During 2013/14 the Lands Valuation Appeal Court heard 'sample' or 'lead' cases in respect of this category of subjects and their decision was issued in May 2014. Consequent to that decision 13 appeals have been dealt with during the year. It had been hoped that all of the appeals against this class of subject would have been dealt with in the financial year but appellants' agents have been strangely reluctant to conclude, or even commence, negotiations. Progress in relation to the outstanding appeal for a gas utility subject is dependent upon outcomes in England and Wales.

### **2010 Revaluation**

The 2010 Revaluation took effect from 1st April 2010.

### **2010 Revaluation Appeals**

A total of 3,391 appeals were received before 30<sup>th</sup> September 2010, which was the last date for submission of such appeals. The statutory requirement was that Revaluation appeals were disposed of by Valuation Appeal Committees prior to 31st December 2013 and, in line with the legislative requirement, these were all cited for hearing before 30<sup>th</sup> June 2013.

At the start of 2014/15, 46 Revaluation appeals were outstanding, all of which have been referred to the Lands Tribunal on the basis of their complexity, legal uncertainty or by virtue of them being subjects which extend beyond one council area. During the year, 5 Canal appeals were settled leaving 41 outstanding. Again the majority of these relate to Mobile Telecommunication Networks.

### **2010 Running Roll Appeals**

At the start of the 2014/15 financial year 189 running roll appeals were outstanding. During the year a further 223 appeals were submitted. 217 appeals were disposed of leaving 195 outstanding.

59 running roll appeals had been referred to the Lands Tribunal at the start of the year. 4 Canal appeals were settled during the year leaving 55 outstanding.

### **Scottish Government Consultation – "Supporting Business – Promoting Growth"**

The Government's response to the above Consultation, which was published in 2013, committed the Government to undertake a separate review of the appeals system. That consultation was issued in December 2014 and ran until 6<sup>th</sup> March 2015. The Scottish Assessors Association submitted a response to the consultation but, to date, the Government has not reported on the consultation outcomes or indicated any legislative intentions arising from it.

### **2017 Revaluation**

The 2017 Revaluation comes into effect on 1<sup>st</sup> April 2017 based on a valuation date of 1<sup>st</sup> April 2015, though it is likely that new values will be required by the Scottish Government in late summer/early autumn 2016. In preparation for this a Revaluation Project Team, which will be led by the Depute Assessor has been established and a timetable for delivery has been drawn up.

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD**  
**MANAGEMENT COMMENTARY AND FINANCIAL STATEMENT OF ACCOUNTS**

**2.2 COUNCIL TAX**

**Aims**

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

**Maintenance of Valuation List**

The year to 31st March 2014 saw a net increase in the number of dwellings shown in the Council Tax List.

Total Number of entries @ 1st April 2014	142,593
Additions during year to 31st March 2015	1,269
Deletions during year to 31st March 2015	678
Total Number of entries @ 31 <sup>st</sup> March 2015	143,184

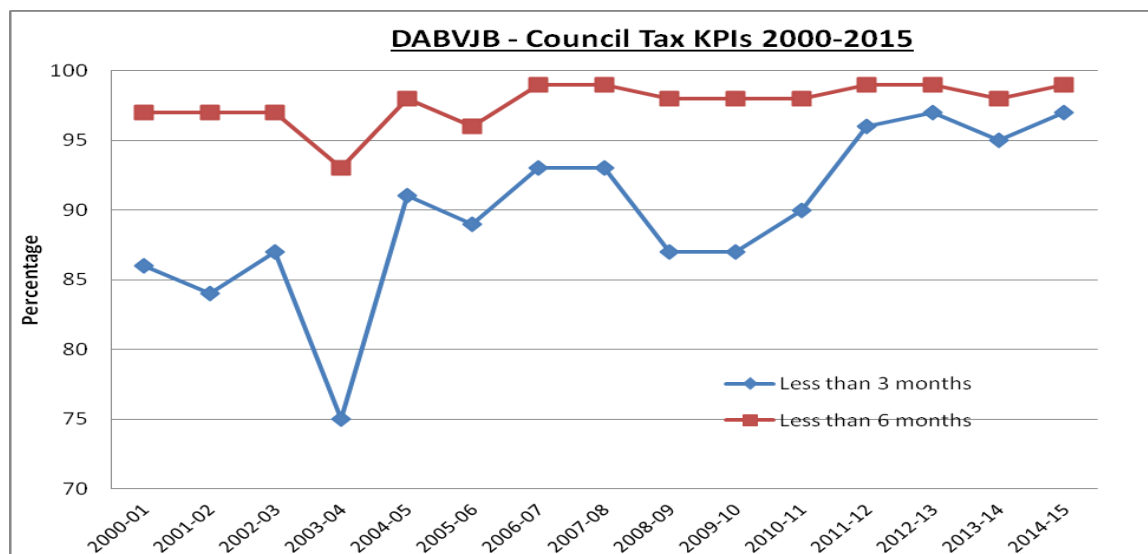
The Key Performance Indicator in relation to Council Tax has been defined as the time taken from the date on which additions to the Valuation List are effective to the date a Banding Notice in respect of that new entry is issued. The following table sets out the target and actual performance information for 2014/15 compared with the actual figures for 2013/14 and shows that our targets at both 3 and 6 months were achieved and our performance levels were up on the previous year.

Period	Actual 2013/14	Target 2014/15	Actual 2014/15			
			Argyll & Bute	West Dunbartonshire	East Dunbartonshire	Whole VJB Area
0-3 months	96%	95%	95.05%	97.25%	98.94%	<b>97.01%</b>
3-6 months	3%	3%	2.38%	2.75%	1.06%	<b>1.97%</b>
>6 months	1%	2%	2.57%	0.00%	0.00%	<b>1.02%</b>

## **DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD MANAGEMENT COMMENTARY AND FINANCIAL STATEMENT OF ACCOUNTS**

### **2.2 COUNCIL TAX (Cont'd)**

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



### **Proposals and Appeals**

155 proposals and appeals were outstanding at the start of 2014/15 and 218 were submitted during the year. In the same period, 248 were disposed of, leaving 125 outstanding.

### **Future of Council Tax**

Shortly after the Scottish Independence Referendum, the new First Minister announced the setting up of a cross-party, independent Commission to 'look into fairer systems of local taxation'.

That Commission has now been established under the Co-Chairmanship of Local Government Minister Marco Biagi and President of COSLA Councillor David O'Neill. The remit of the Commission is "To identify and examine alternative systems of local taxation that would deliver a fairer system of local taxation to support the funding of services delivered by local government," and it is scheduled to report in 'the autumn' of 2015. The Scottish Assessors Association has been invited to assist in informing the Commission.

Clearly any move away from a property based taxation system represents a risk to the future operations and funding of the Joint Board.

### **2.3 ELECTORAL REGISTRATION**

#### **Aims**

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

# ***DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD MANAGEMENT COMMENTARY AND FINANCIAL STATEMENT OF ACCOUNTS***

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

### **Additional aims specific to 2014/15**

- To implement Individual Electoral Registration in accordance with statutory and project timetables and publish a register in accordance with the new criteria.
- To maintain the Young Person's Register and thereby, permit 16 and 17-year olds to take part in the Scottish Independence Referendum

### **Transition to Individual Electoral Registration and the Published Electoral Register**

Putting aside the volumes of electoral activity related to the Scottish Independence Referendum (see later), the main initiative in Electoral Registration during 2014/15 was the introduction of Individual Electoral Registration (IER), whereby each person is responsible for registering to vote individually. In addition, people can now register to vote online for the first time.

The transition to IER in Scotland began in September 2014 with all applications received on or after the 19th September required to be made under the new regime. Applicants must now supply additional information, such as National Insurance Number and Date of Birth when making their applications.

The annual canvass as we know it was suspended following the commencement of IER in September and replaced by various transitional activities, known as the 'write-out'.

The first phase of the transition to IER involved a data matching exercise to compare existing electors' details with the details held on the Department for Work and Pensions (DWP) database – a process known as 'confirmation live run' (CLR).

Through the CLR process, we were able to identify which electors could be transferred automatically to the new IER registers, and which ones could not and therefore need to re-register. To supplement this automated transfer we also able to carried out further data matching using local data sources. The results of our data matching (both CLR and local) are shown below.

<b>Local Authority</b>	<b>Register Entries</b>	<b>Confirmed</b>	<b>Non-confirmed</b>	<b>Confirmed</b>	<b>Non-confirmed</b>
Argyll & Bute	70,860	59,776	11,084	84%	16%
East Dunbartonshire	85,615	75,870	9,745	89%	11%
West Dunbartonshire	70,185	62,044	8,141	88%	12%
<b>VJB Area</b>	<b>226,660</b>	<b>197,690</b>	<b>28,970</b>	<b>87.2%</b>	<b>12.8%</b>
All Scotland	4,234,203	3,644,029	590,174	86%	14%

Following the confirmation process, the 'write-out' phase of the transition commenced. We sent confirmation letters to those who had been confirmed and so automatically transferred onto the new IER registers and invitations to register ITRs) to those who had not. Household Enquiry Forms (HEFs) were issued to homes where no electors were registered. Follow-up activity included the issue of ITRs in response to returned HEFs, reminder ITRs and door-to-door canvass where no returns had been made to reminders.

Form returns were significantly down on previous years making the reminder and door-to-door stages of the process much more onerous than in previous years. Unfortunately, automated responses via telephone, internet and short message service/text reply to household forms were not available to electors during the transition to IER, which probably partly explains why return rates were down.

Despite the above, the 'write-out' phase was completed on schedule and the statutory deadline in relation to the publication of the Electoral Registers by 1<sup>st</sup> March 2015 was achieved.



**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD  
MANAGEMENT COMMENTARY AND FINANCIAL STATEMENT OF ACCOUNTS**

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

A summary of the 'write-out' activity is provided below:-

<b>Local Authority</b>	<b>Invitations to Register</b>			<b>Household Enquiry Forms</b>	
	<b>Issued</b>	<b>Reminders Issued</b>	<b>Postal Returns*</b>	<b>Issued</b>	<b>Postal Returns*</b>
Argyll & Bute	10,970	7,013	8004	10,367	3,137
East Dunbartonshire	9,669	6,528	6543	2,640	415
West Dunbartonshire	8,084	5,824	5013	5,232	529
<b>VJB Area</b>	<b>28,723</b>	<b>19,365</b>	<b>19,560</b>	<b>18,239</b>	<b>4,081</b>

\* Note that these return figures are at the end of the door to door canvass activity (see below) and include those returned as a result of door knocking.

Following the initial write-out and issue of a postal reminder we commenced a door-to door canvass as required by statute. The door to door canvass also included follow-up arising from maintenance activity and a summary of the door-to-door canvass is provided below. In total 19,578 households were visited during the door knocking stage.

<b>Local Authority</b>	<b>Invitations to Register</b>			<b>Household Enquiry Forms</b>		
	<b>Individuals Canvassed</b>	<b>Returns</b>	<b>Return (%)</b>	<b>Households Canvassed</b>	<b>Returns</b>	<b>Return (%)</b>
Argyll & Bute	5,840	2,447	42%	2,958	858	29%
East Dunbartonshire	5,235	1,489	28%	1,713	341	20%
West Dunbartonshire	5,230	1,814	35%	3,941	595	15%
<b>VJB Area</b>	<b>16,305</b>	<b>5,750</b>	<b>35%</b>	<b>8,612</b>	<b>1,794</b>	<b>21%</b>

The number of changes to the Register during the 2014/15 canvass period was as follows: -

Elector Additions	6,833
Elector Deletions	7,850
Total Electorate @ 27 <sup>th</sup> February 2015	223,594

The total electorate figure at 27<sup>th</sup> February shows a continuing rise in the number of electors contained in the published register from the low point in 2009 –see below.

<b>Year</b>	<b>No of Electors</b>
2014/15	223,594
2013/14	221,453
2012	219,117
2011	217,065
2010	216,433
2009	215,460
2008	216,241
2007	218,875
2006	218,399
2005	217,559

Electors who were on the register at 19<sup>th</sup> September, but who made no return during the write-out phase are not registered individually but they will not be removed from the register as a result of the change to the legislation until the transition to IER is complete. They were simply 'carried forward' into the register published on 27<sup>th</sup> February.

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD  
MANAGEMENT COMMENTARY AND FINANCIAL STATEMENT OF ACCOUNTS**

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

The numbers of 'carried forward' or 'retained' electors in the published registers were as shown below:-

<b>Local Authority</b>	<b>Retained electors</b>
Argyll & Bute	2,966
East Dunbartonshire	3,126
West Dunbartonshire	3,098
<b>VJB Area</b>	<b>9,190</b>

These electors have, however, lost their right to an absent vote until such times as they register individually. If no return has been received by such electors at the end of transition they will be removed from the register. The legislative 'back-stop' for the end of transition is December 2016 but current intentions are that it will be at the point of publication on 1<sup>st</sup> December 2015. Thus the total electorate could be affected by the change later in the year.

The full Electoral Register can only be provided for certain limited statutory purposes, while the 'Open Register' (also known as the 'Edited Register') can be sold to anyone for any purpose. Previously, electors had to advise the Electoral Registration Officer annually if they wished their name to be removed from the open version. Under IER, however, electors who opt-out from the Open Register will remain opted out until they advise the ERO accordingly or they re-apply to be registered. At the end of the 'write-out' the number of opted-out electors was as follows:-

<b>Year</b>	<b>% age of Electors Opted out</b>
2014/15	26.0%
2013/14	13.5%
2012	19.5%
2011	21.0%
2010	27.2%
2009	25.3%
2008	21.7%
2007	13.4%
2006	17.3%
2005	8.4%
2004	7.3%

Following the write-out, and on the recommendation of the Cabinet Office, each household was sent a Household Notification Letter (HNL) advising them of the electors registered at publication and inviting them to advise us of any changes. This did lead to an increase in enquiries and contacts from electors and has helped improve the accuracy of the registers in the run up to the UK Parliamentary election.

**Absent Voters**

In recent years the general trend in numbers of absent voters has been upwards. That pattern was interrupted in 2013/14 when a statutory requirement to refresh absent voters' personal identifiers (signatures and dates of birth) resulted in a fall in the number of absent voters in the register.

## **DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD MANAGEMENT COMMENTARY AND FINANCIAL STATEMENT OF ACCOUNTS**

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

The activity around the Independence Referendum and the write-out have, however, increased the numbers of Absent Voters to record levels – see below.

<b>Year</b>	<b>No of Absent Voters</b>
2015	34,525
2014	27,176
2012	29,501
2011	29,076
2010	27,365
2009	24,899
2008	23,095

#### **Rolling Registration**

The Rolling Registration process of dealing with applications for changes to the Register was formerly an activity which primarily took place outwith the canvass period. In the period between publication in March 2014 and the suspension of Rolling Registration the number of changes processed were as follows:-

<b>Local Authority</b>	<b>Additions</b>	<b>Deletions</b>
Argyll & Bute	5,069	3,498
East Dunbartonshire	4,580	2,495
West Dunbartonshire	4,502	2,525
<b>VJB Area</b>	<b>14,151</b>	<b>8,518</b>

The majority of these changes were affected in the updates immediately prior to the independence referendum.

The nature of IER requires a pro-active approach to change throughout the year and we have continued to use sources such as Council Taxpayer records to initiate the issue of ITRs. With ITRs also being simultaneously issued for the purposes of the write-out it is increasingly difficult to distinguish change arising from the two processes.

#### **Electoral Performance**

The Electoral Administration Act 2006 (EAA) gave the Electoral Commission powers to set standards of performance for EROs, Returning Officers (ROs) and Referendum Counting Officers (RCOs) in Great Britain.

As part of the preparations for IER, and after several years of providing both a self-assessment of performance across 10 areas of operation and a suite of outcome based statistics, the Electoral Commission (EC) devised two new performance standards related to the transition.

Performance Standard 1 required EROs to illustrate that they understood the challenges in their registration areas and that they have developed a plan for engaging with residents which responded to these challenges. Standard 2 required EROs to deliver an implementation plan and monitor progress to allow changes to be made along the way.

In October 2013 the VJB made our submission under the first of these and the Commission responded to the effect that they were pleased to see that we had used the data from the IER confirmation dry run (see below) to plan activities which will address our local challenges and concerns.

To date, however, no assessment has been completed as to progress against Standard 2, though a whole suite of statistics were provided to assist the EC in their assessment of the implementation of IER following publication. It is understood that the EC is currently reviewing both the options for future performance reporting and the capability of electoral management systems to provide relevant data outputs.

# **DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD MANAGEMENT COMMENTARY AND FINANCIAL STATEMENT OF ACCOUNTS**

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

### **Elections and Independence Referendum**

Registers and associated lists and data were provided to Returning Officers for the European Parliamentary elections on 22 May 2014 and to Counting Officers for the Scottish Independence Referendum (SIR) on 18 September 2014.

Registers were also provided for 4 local by-elections in Argyll & Bute Council on 22 May, 17 July, 23 October and 11<sup>th</sup> December.

These electoral events all take a significant amount of planning and co-ordination with the Returning/ Counting Officers and each increases workload for our staff.

The SIR in particular resulted in unprecedented registration activity with 8,078 of the Additions and 2,510 of the deletions referred to above being processed in the September updates. The total electorate for the referendum was 229,986, including eligible 16 and 17 year-olds. Applications for absent and proxy votes were also submitted at never before seen levels. The Absent Voter lists for the event increased to 38,930.

The workload involved in preparing registers for this event presented immense, and unprecedented, challenges to our staff and the event was subject to intense media and other scrutiny. It was due only to the skill and effort of our staff, which were beyond what anyone could have reasonably asked, that the polling station registers and postal voters' data was supplied to the local Counting Officers in line with the agreed timetable. The staff made a tremendous effort in terms of planning, and commitment to voters, for which I am extremely grateful.

Electoral events tend to be good tests of the completeness and accuracy of the registers and, workloads aside, I am pleased to report that these elections generally proceeded without problems of any significance arising.

### **Review of Electoral Operations**

The implementation of IER is one of the biggest changes to the electoral system in many years. So far it has required changes to all operational procedures and processes, multiple versions of updated electoral management systems and consequently training in legislative, procedural and IT systems. Thus, following the end of the write-out we initiated a review of how these changes affect our operations and staffing requirements. This review will conclude after the preparations for the UK Parliamentary elections have been completed and will be implemented in 2015/16.

It is also much more expensive to operate than traditional registration. To date, the Cabinet Office has provided direct funding for many of the additional costs but their grant funding for 2015/16 falls short of the expected requirement and no commitment to fund IER has been made beyond March 2016. Particularly in the face of tightening local government budgets, the additional costs of IER present an ongoing and significant risk to both service provision and the finances of the Valuation Joint Board.

### **Extension of Franchise**

The Smith Commission report published at the end of November 2014 stated that:

*"The parties call on the UK Parliament to devolve the relevant powers in sufficient time to allow the Scottish Parliament to extend the franchise to 16 and 17 year olds for the 2016 Scottish Parliament elections, should the Scottish Parliament wish to do so."*

Subsequent to the report, the Scottish and UK Governments entered into a period of negotiation around the terms of the transfer of powers. The content of the Scotland Act 1998 (Modification of Schedules 4 and 5 and Transfer of Functions to the Scottish Ministers etc) Order which came into force on 20 March 2015 reflects those discussions.

# ***DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD MANAGEMENT COMMENTARY AND FINANCIAL STATEMENT OF ACCOUNTS***

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

The Scottish Government also published the draft Scottish Elections (Reduction of Voting Age) Bill with the intention of expediting its passage to assent before the summer recess of the Parliament. The intention is to enable EROs to collect the data of relevant young persons during the 2015 canvass and to allow them to vote at the Scottish Parliamentary election in May 2016. This will, of course require, more planning, IT system development and training to take place in the coming months. Further, the planned date of the 2015 canvass has been pushed back to allow the relevant legislation to be passed and the IT systems developments to be implemented.

## **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 as required to meet operational needs and in accordance with the recommendations from West Dunbartonshire Council's ICT Service. During the year we purchased PCs/laptops to replace obsolete devices and upgraded to wide screen monitors for all operators of the EROS electoral management system. Additionally, we replaced the server upon which the EROS EMS resides and, as required by the suppliers, migrated to a SQL based database.

Uncertainties relating to the WDC ICT 'Modernisation Programme' and the roll out of 21CN broadband network to Campbeltown have further delayed us from addressing our communications problems in Campbeltown. As the year ended the issue had reached an almost critical level but with further broadband lines and a new device required for the aggregation of these on order, we will look to address the problem very early in 2015/16.

Our Electoral Management System had numerous upgrades applied to provide the functionality required for both IER and the extension of the franchise for the Scottish Independence Referendum. The late delivery of the required, critical, upgrades meant that we had to 'go-live' with IER on 19<sup>th</sup> September without proper testing of the system or having any proper opportunity to investigate how it fitted in with legislation and operations. Although the circumstances leading to this are well known and understood, it was far from ideal to be in the situation. Again, thanks are due to all the relevant staff for applying themselves in difficult circumstances. The system continues to be updated as customers provide feedback on potential improvements and further change will be required to facilitate the extension of the franchise for Scottish Parliamentary and Local Government elections during 2015/16.

A revised IT Strategy for the Valuation Joint Board was drafted during the year and it is expected that it will be presented to the Joint Board for approval in June 2015.

#### **Scottish Assessors Association Web Site**

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

The major development during 2014/15 was to implement a suite of data improvements to assist the Scottish Government's analysis of Scotland-wide Valuation Roll data. Funded by the Scottish Government, the development and population of the required fields were delivered by the project target date of 31<sup>st</sup> March.

### **3.2 EQUALITIES**

The Joint Board's Management Team is committed to the equalities agenda.

The Equality Act 2010 replaced the former duties in respect of race, disability and gender with a new single equality duty covering the protected characteristics of race, sex, disability, sexual orientation, religion and belief, age, gender reassignment and pregnancy and maternity.

## ***DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD MANAGEMENT COMMENTARY AND FINANCIAL STATEMENT OF ACCOUNTS***

### **3.2 EQUALITIES (Cont'd)**

Arising from the Specific duties which were subsequently established by the Scottish Government, a “Public Sector Equalities Duty” document which:-

- Reported on our progress in relation to ‘Mainstreaming’ our equalities duties.
- Reported on various staffing matters as they apply to the protected characteristics, and
- Identified the Board’s Equality Outcomes

The document stated our intended ‘Outcomes’ to be:-

- To increase the representation of men and women in roles where gender segregation is evident.
- To maximise opportunities for young people to enter the workforce.

Despite having developed these Outcomes in consultation with colleague Assessors and the Equality and Human Rights Commission (EHRC), the Commission invited the Joint Board to participate in the Improving Equality Outcomes Project in May 2014. The aim of the project was to support 52 public authorities to improve their equality outcomes and, through them, the outcomes for their service users. Following an extended period of consultation with the EHRC the Board approved and published revised ‘Outcomes’ as follows:-

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

Monitoring procedures have been put in place to allow us to report on progress towards achieving these Outcomes and a statutory Equalities Report will be published in late April.

### **3.3 STAFFING MATTERS**

#### **Development and Training**

In June 2014 the Joint Board approved and implemented a Policy and Procedure on Individual Performance Management for Senior Officers with the aims of:-

- Optimising performance effectiveness within a framework of competency, skills, and behaviours.
- Identifying and addressing issues of under-performance at the earliest opportunity and to identify and agree an Action Plan for improvement
- Providing a framework for continuing personal and professional development

The Board’s existing Staff Development and Training procedures remain unchanged by the above and they provide for a structured and strategic provision of training and development opportunities. Each member of staff reviews their training needs with their line manager on an annual basis and the resultant Training and Development Plan is used to inform the provision of training throughout the year.

In 2014/15 training was provided through externally sourced courses, in-house training events and e-learning facilities in subjects as diverse as preparations for Individual Electoral Registration, Attendance Management, Equalities, Analysis of Construction Costs, Telecommunications Networks and valuation of Historic Buildings and Visitor Attractions. One member of staff passed the RICS Assessment of Professional Competence and a further trainee is due to present in May 2015. Formal external training is ongoing for two Trainee Valuers and one Trainee Technician.

The Depute Assessor underwent training to allow him to sit on the RICS Assessment of Professional Competence panel. Two members of the Management Team passed the Association of Electoral Administrators’ Certificate course. Equalities training included a refresher for all staff on the Language Line Translation service to which the Board subscribes.

# ***DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD MANAGEMENT COMMENTARY AND FINANCIAL STATEMENT OF ACCOUNTS***

## **3.3 STAFFING MATTERS (Cont'd)**

### **Personnel Policies**

In June 2014 the Joint Board approved a new Right to Request Flexible Working Policy. In line with the requirements of The Children and Families Act 2014, the policy extended the statutory right to be able to make an application for Flexible Working to all employees with a minimum of 26 weeks continuous service. As referred to above, the Joint Board approved and implemented a Policy and Procedure on Individual Performance Management for Senior Officers.

As the year came to a conclusion a review of the Joint Board's Pensions Discretion Policy was under way, in line with the provisions of the Local Government Pension Scheme - Career Average Re-valued Earnings Pension Scheme which was introduced for staff members as at 1<sup>st</sup> April 2015.

### **Extra Mile Award**

To encourage staff to contribute to improvement initiatives and to recognise examples of where staff had displayed commitment, application or innovation, the Joint Board operates an 'Extra Mile Award'. Wendy McKinnon was selected for the 2014/15 award for her hard work in preparing for, and excellent feedback from presenting, IER training.

## **3.4 FREEDOM OF INFORMATION**

In May 2013, a 'Guide to Information' along with an application to adopt the Model Publication Scheme for local government was submitted to the Scottish Information Commissioner for both the Assessor & ERO and the Joint Board. These documents commit us to publication of an enhanced range of documents and information, most of which can be accessed from <http://www.dab-vjb.gov.uk/freedom-of-information/>.

A 'business as usual' approach has been taken to the majority of requests for information received, but in the calendar year to December 2014, only 4 requests which specifically referred to the Freedom of Information Act were received. All were answered within the statutory timescales with the average response time being less than 5 days. Two requests were received relating to Electoral Registration, a function which is not currently covered under the FOI legislation. However in the spirit of applying best practice these requests were responded to, in full, as if they had been covered by the legislation.

Two requests related to Non-domestic rating valuation. In one instance the requested information was not held and in the other the requester was directed to the SAA website and was content that the available information satisfied his request.

Dealing with such requests took circa 8 hours of staff time and no fees were charged.

In line with a request from the Information Commissioner, we now provide quarterly statistics on requests received and their outcomes.

## **3.5 PARTNERSHIPS**

The Valuation Joint Board is actively involved in several partnerships with one of the most significant of these being the senior staff's membership of the Scottish Assessors' Association. The Association is constituted to facilitate a consistency of approach in the administration of the non-domestic rating valuation, council tax and electoral registration services across Scotland. It works through a series of Committees and associated Working Groups, which report to regular plenary sessions that are attended by representatives from all Assessors' offices. During 2014/15 I served, as Past President, on the Executive Committee of the Association.

# ***DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD MANAGEMENT COMMENTARY AND FINANCIAL STATEMENT OF ACCOUNTS***

## **3.5 PARTNERSHIPS (Cont'd)**

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

During 2014/15 the Association was involved in consultations relating to legislation, guidance and process design for Individual Electoral Registration and, in the latter part of the year, the extension to the franchise for Scottish Parliamentary and Local Government elections. The Association made consultation responses to the Scottish Government on the NDR appeals system and on proposals for Land Reform. Early discussions have also take place with the officials supporting the Commission on Local Tax Reform. Liaison between the SAA Executive Committee and various Scottish Government officials/departments is regular.

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

The planning for, and provision of, Electoral Registration services is assisted by guidance received from the Electoral Commission and by representation within the Electoral Management Board and the Association of Electoral Administrators. The ongoing implementation of IER towards 'Business as Usual' will only be achieved though close working with the Cabinet Office Electoral Registration Transformation Project Team. The Valuation Joint Board procures all of its 'back-office' functions including human resources, legal support, ICT support and financial services from West Dunbartonshire Council.

## **3.6 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 2013/14 Public Performance Report was published during 2014/15 on our web site ([www.dab-vjb.gov.uk](http://www.dab-vjb.gov.uk)).

### **Performance Management and Planning**

The Management Team continues to be the main forum for planning and management of performance. In accordance with our Performance and Management Planning process, the following improvement actions were taken, or were ongoing, during 2014/15:-

- A new 3-year Service Plan for the period 2014 – 2017 and an Annual Service Calendar for 2014/15 were approved by the Valuation Joint Board in June 2014. The Management Team regularly reviews progress against these plans. Further, an interim update to the Service Plan was drafted during the year and will be presented to the Joint Board for approval in June 2015.
- A collated Audit Action Plan was amended to include the recommendations of the 2013/14 external audit. An internal audit of the Board's Valuation Roll and Council Tax Valuation List maintenance procedures was completed during the year but, at the year end, the final report had not been produced. The collated Audit Action Plan is regularly reviewed by the Management Team to reflect actions taken.
- Further to a suggestion made at the Joint Board meeting in June 2014, the Management Team reviewed its approach to recording and reporting risk. A newly formatted 'Board Risk Register' will be presented to the Board for approval in June. An Operational Risk Register has been completed and a Risk Action List will be used by the Management Team to regularly review risks and actions taken.
- A new Complaints Procedure, in line with the Scottish Public Ombudsman's Model Complaints Procedure, was approved by the Joint Board in November 2012, though practical implementation took effect on 1<sup>st</sup> April 2013.
- A newly formatted Statement of Assurance was provided to support the audit of the 2013/14 accounts.
- A new Performance Management and Development Planning Procedure was approved and implemented for Senior Officers.
- A Revised Strategy for the Prevention and Detection of Fraud and Corruption was approved by the Board in November 2014.



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

## **MANAGEMENT COMMENTARY AND FINANCIAL STATEMENT OF ACCOUNTS**

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

#### **Performance Management and Planning (Cont'd)**

- New methods of monitoring Non Domestic changes and Council Tax new entries were introduced.
- Core training introduced for all members of staff.

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

#### **Risk Management**

The Joint Board's Risk Register and Action Plan are revised annually and, as referred to above, a new format has been devised. Inclusions in the Board Risk Register during the year were:-

- The potential for the Joint Board or its statutory officials to fail to meet our statutory duties
- The various financial risks associated with the current economic and funding climate.
- The risks in relation to the ongoing implementation of IER.
- The potential to lose one or more of our statutory functions.
- The risks associated with delivering the extension of the franchise.
- The probable loss of the file storage facility at Witchburn Road, Campbeltown.

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

#### **Customer Satisfaction**

For some years now, recent users of the Joint Board's services have been randomly sampled and issued with questionnaires to seek their perception of the service provided to them. A summary of the results is provided over. These show that:-

- By far the majority of our stakeholders (99%) find us professional, courteous and helpful.
- 67% of queries or transactions are completed at the first point of contact and only 3% of matters are not concluded to the satisfaction of the stakeholder.
- Most users of Joint Board services (97%) are satisfied with the information and/or advice provided to them.
- Very high satisfaction levels are being maintained on a year-to-year basis.

#### **Customer Satisfaction**

	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>
Survey Return Rate	28%	25%	25%	23%	28%	27%	21%
Was the person with whom you communicated professional, courteous and helpful?	97%	97%	98%	98%	97%	98%	99%
Was the matter brought to a satisfactory conclusion immediately?	58%	62%	58%	62%	58%	55%	67%
Was the matter brought to a satisfactory conclusion?	95%	98%	97%	98%	98%	96%	97%
Are you satisfied with the quality of the information or advice given to you?	95%	96%	96%	96%	96%	96%	97%

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**3.6 BEST VALUE (Cont'd)**

**Customer Satisfaction (Cont'd)**

Perhaps the one concern in this year's results is that the response rate dropped to a new low and we will consider ways of improving this in our annual review of the process.

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

Characteristic	Category	Percentage
Race	White	96.6%
	Non-white	3.4%
Gender	Male	48.8%
	Female	51.2%
Disability	Disabled	7.9%
	Able-bodied	92.1%
Sexual orientation	Heterosexual	96.4%
	Other	3.6%
Marital status	Married	57.3%
	Never Married	18.1%
	Other	24.6%
Age	16-21	0.9%
	22-30	8.1%
	31-40	15.2%
	41-50	16.6%
	51-60	24.2%
	61-65	13.0%
	66-70	10.8%
	70+	11.2%

Sample sizes within the various equalities groups were clearly too small to draw firm conclusions and in some cases the information proved to be contradictory. The results will be monitored further to ensure that we are carrying out our functions in a fair and equal manner.

**Complaints Procedure**

In November 2012, the Joint Board approved a new Complaints Procedure which was in line with the Public Sector Ombudsman's Model Complaints Handling Procedure.

There were a total of 21 Complaints received during 2014/15 with 20 relating to Electoral Registration and 1 relating to a Non-domestic Rating survey.

**Customer Satisfaction**

18 complaints were resolved at the frontline resolution stage with 3 being escalated to the Investigation stage. One of the three investigations was abandoned due to lack of information and contact from the complainant. Recurring themes are shown below along with the Board's reaction.

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD  
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**3.6 BEST VALUE (Cont'd)**

**Customer Satisfaction (Cont'd)**

<b>Theme of complaint</b>	<b>Reaction</b>	<b>Learning Points/Actions</b>
Receipt and wording of formal 'Review' letters.	These letters must be sent to electors where the ERO has some information which suggests that the person is no longer eligible to be registered at that address.	Both the procedures for interpreting external sources of information and the wording of Review letters have been reviewed. These will remain under constant review whilst IER beds in.
Election/Referendum Timetable issues – applications received too late or not at all.	Our experience is largely that the electors have failed to ensure that the relevant application has been properly and timeously submitted to us	Continue to review publicity around cut-off dates.
Documentary evidence requested of electors who are already on the register.	This is an absolute requirement of IER where individuals have failed to be matched to DWP data.	Potential to review the request letter and advice given but requirement to provide documentary evidence cannot be changed.
Unavailability of Absent/Proxy/Emergency proxy votes	Some of these refer back to timetable issues – see above. Others simply refer to the application not complying with legislative requirements	Again, little can be changed or learned from these types of complaints.
Electors name appears on the Open (formerly Edited) Register	These tend to arise as result of the failure of the elector to take the action required to opt-out.	The ability to react to these complaints is restricted by the fact that forms issued to electors/potential electors are prescribed.

There were no referrals to the Scottish Public Sector Ombudsman.

**Audit**

During the year, the final 2013/14 accounts of the Valuation Joint Board were subject to External Audit by Audit Scotland. The external auditor's Annual Audit report gave an unqualified opinion on the financial statements for the year to 31<sup>st</sup> March 2014.

The report did identify that the non-current assets held by the Board (being the properties on Dumbarton Road, Clydebank and Kilbrannan House, Campbeltown) had not been revalued in line with the Code of Practice on Local Authority Accounting. The Code states that "Valuations shall be carried out at intervals of no more than five years", however such a valuation had not taken place within this designated timescale.

Both assets were revalued in August 2014 resulting in a reduction in their net book value and the financial statements were adjusted to reflect this.

During the early months of 2015, Internal Audit carried out a review of our Valuation Roll and Council Tax Valuation List maintenance procedures. The Auditors Report concluded that the systems examined were working effectively and no adverse points arose during the review.

The finances of the Joint Board for 2014/15 will be audited by Audit Scotland who completed initial investigations into systems, including governance, during the year. An Audit Plan was completed which identified the main areas where they will direct scrutiny. These will be to ensure that:-

- Controls are in place to ensure that management cannot override financial controls
- The Joint Board complies with the requirements of the new Local Authority Accounts (Scotland) Regulations 2014.

The auditors will report on these investigations in their Auditor's Report.

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD**  
**MANAGEMENT COMMENTARY AND FINANCIAL STATEMENT OF ACCOUNTS**

**3.6 BEST VALUE (Cont'd)**

**Financial Performance**

**Comprehensive Income and Expenditure Statement**

This account covers the day to day operational expenditure of the Joint Board and is shown on page 33 of the financial statements. The table below is a summary of the Joint Board's financial position at 31 March 2015.

	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Employee Costs	2,189,087	2,167,983	21,104
Property Costs	127,260	113,479	13,781
Transport Costs	40,000	49,190	(9,190)
Supplies & Services	355,481	312,872	42,609
Payment to Other Bodies	35,000	26,608	8,392
Support Services	136,055	136,252	(197)
Other Costs (Interest)	(100)	(24)	(76)
<b>Total Expenditure</b>	<b>2,882,783</b>	<b>2,806,360</b>	<b>76,423</b>
Requisition Income	2,664,460	2,664,460	0
Grant Income	143,200	241,386	98,186
Rental Income	24,878	25,104	226
Sales, Fees & Charges	1,500	1,159	(341)
<b>Total Income</b>	<b>2,834,038</b>	<b>2,932,109</b>	<b>98,071</b>
<b>(Surplus)/Deficit for the year</b>	<b>48,745</b>	<b>(125,749)</b>	<b>(174,494)</b>

The Joint Board returned a surplus of £125,749 for the financial year 2014/15, compared to a budgeted position which anticipated a planned deficit of £48,745 to be funded from reserves. This surplus figure excludes accounting adjustments relating to depreciation, pensions and accrued employee benefits.

The difference between the employee costs figure and the figure reported in the Comprehensive Income & Expenditure Statement is due to accounting adjustments for pensions (£145,000) and holiday pay accrual (-£1,775) these costs are year end adjustments that are offset by corresponding transfers to the Balance Sheet and the Movement in Reserves Statement.

The main budget variances are showing below:-

	<b>Variance</b>	<b>Comments</b>
	<b>£</b>	
Employee Costs	21,104	This underspend is mainly due to delaying and non filling of vacancies; overtime costs were lower than anticipated.
Property	13,781	This underspend is mainly due to lower than anticipated expenditure on energy and repairs and maintenance.
Supplies & Services	42,609	This underspend is across a number of headings (such as office & computer equipment, computer licences, telephones, courses & conferences).
Income	98,071	Grant income was more than anticipated.

## ***DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD MANAGEMENT COMMENTARY AND FINANCIAL STATEMENT OF ACCOUNTS***

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

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

##### **Balance Sheet**

The balance sheet is shown on page 34 and features an assessed pension fund liability of £6.115m based on the valuation of the fund at 31 March 2015. This results in the Board's Balance Sheet showing a net liabilities position. Further information on the pension fund is provided in note 3 on pages 44 to 48 the valuation states that assets held at the valuation date were sufficient to cover only 73% of the accrued liabilities. It is considered appropriate that the Financial Statements should follow a 'going concern' basis of accounting. Statutory arrangements with the constituent local authorities mean that the financial position of the Board remains assured.

The pension scheme net liability has increased by £1.571m as advised by the appointed actuaries. The appointed actuaries remain of the view that the asset holdings of Strathclyde Pension Scheme and the contributions from employees and employers together with planned increases in employer' contributions provide sufficient security and income to meet future pension liabilities.

##### **General Reserves**

At their Board meeting on the 16 November 2012, the Board approved a Balance and Reserves Policy. The Board's Prudential Reserves Policy is to retain a prudential target of 2% of net expenditure i.e. constituent authority requisition level (14/15 £53,289) 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 2015 the Board held total usable reserves of £646,893 (of which £50,550 relates to unapplied capital reserves) with the remaining balance comprising revenue reserves of £596,343. A proportion of this is identified as an earmarked balance (£83,333) and once this has been accounted for leaves £513,010 of general reserves for future use (including £100,000 prudential reserve above).

The Joint Board recognises the difficult financial climate facing public services and has continued to seek efficiencies where possible. This allowed the Board to maintain requisition levels in 2014/15 at 2013/14 levels. It is anticipated that future planned draws on the reserves may be required to ensure that a balanced budget is delivered for 2015/16 onwards given the forecast reduction in funding for local government and 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.

##### **Service Changes and Future Developments**

There were no changes to the statutory functions the Board undertakes, however the Board is aware of the impact of Individual Electoral Registration and has planned accordingly.

##### **Group Financial Statements**

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 financial statements.

# ***DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD MANAGEMENT COMMENTARY AND FINANCIAL STATEMENT OF ACCOUNTS***

## **4.0 CONCLUSION**

2014/5 was a year of intense activity and significant change within the Joint Board. The move to IER combined with the European Parliamentary Election, the Scottish Independence Referendum, four By-elections and planning for the UK Parliamentary Election meant that our electoral functions and management resources were stretched like never before.

The volumes of registration activity around the referendum were unprecedented. The register was swollen as young persons and the previously unengaged registered to have their say and the demand for postal votes, proxy votes and emergency proxy votes was higher than ever. The volumes of activity did, however, expose areas where the electoral system can come under pressure – pressure which will only be exacerbated by the introduction of the requirement to verify the identity of applicants to the register under IER. The UK Parliamentary Election in May will be the first test of systems and processes following the recent changes.

In light of the above pressures, the previous decision by Ministers to postpone the Non-domestic Revaluation until April 2017 was welcomed. Maintenance work in respect of Valuation Rolls continued, however, with performance levels up on last year. The year ended with processes for delivering the 2017 Revaluation getting under way and this is a major task will require the application of a very significant level of resource in the coming months.

Maintenance of Council Tax Lists also continued, again with performance levels being improved upon. The establishment of a Commission on Local Tax Reform does introduce significant doubt into the long term future of the Council Tax system, at least as it currently is, and input into both the Commission and any subsequent system design and legislation will likely require significant resource moving forward.

I would like to take this opportunity to thank all staff and management for their endeavour, effort, co-operation and tolerance throughout the year. That we have delivered, particularly at various critical points in the electoral year, is undoubtedly down to the exceptional efforts of our staff. The pressure on our electoral service has been immense throughout the year and I would like to take the unusual step of thanking one member of staff, our Principal Administrative Officer, June Nelson-Hamilton, for her unstinting efforts in ensuring the delivery of service and implementation of change.

I would also like to thank the Joint Board and, in particular, the Convenor and Vice Convenor for their continued support.

The Joint Board could not function without the support of a number of departments within West Dunbartonshire Council and I would like to extend my thanks to all relevant WDC officials, particularly to the Treasurer and Clerk to the Board and their staff.

The year ahead will continue to throw up challenges with the next phases of IER and the extension of the franchise to 16 and 17 year olds to implement. The UK Parliamentary elections will need to be delivered and the Scottish Parliamentary election in May 2016 planned for. Revaluation preparations will accelerate throughout the year and become the main area of operation for our valuation staff. Further, with markets still recovering from a severe recessionary period, the analysis of rentals and the establishment of robust valuation levels are likely to be testing.

These challenges will need to be met within a tight, and tightening, budgetary environment. In particular, IER is, simply, much more costly to deliver than the previous registration regime. Thus to meet our statutory duties in line with the performance levels expected of all parties involved will be more expensive. External grant funding is unlikely to be available beyond next year and there is an expectation that funding will be reduced across the local government sector. The currently projected budget gaps will be extremely difficult to close without significant change and pose a real threat to our ability to comply with statute and deliver services into the future.

<b>Signed:</b>	<hr/>	<b>Signed :</b>	<hr/>
	<b>Assessor and Electoral Registration Officer</b>		<b>Treasurer</b>
<b>Date:</b>	<hr/>	<b>Date:</b>	<hr/>
	<b>29 May 2015</b>		<b>29 May 2015</b>

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

## **MANAGEMENT COMMENTARY AND FINANCIAL STATEMENT OF ACCOUNTS**

### **Remuneration Report**

#### **Introduction**

The remuneration report has been prepared in accordance with the Local Authority Accounts (Scotland) Regulations 1985 (as amended by the Local Authority (Scotland) Amendment Regulations 2011). These Regulations require various disclosures about the remuneration and pension benefits of the Board and senior employees.

#### **Arrangements for Remuneration**

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 Retrial 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.

#### **Remuneration of Senior Employees**

<b>Year ended 31 March 2015</b>						<b>2013/2014</b>
	<b>Gross Salary, Fees &amp; Allowances £</b>	<b>Bonuses £</b>	<b>Taxable Expenses £</b>	<b>Non-cash expenses &amp; benefits in-kind £</b>	<b>Total remuneration £</b>	<b>Total remuneration £</b>
David Thomson Assessor & Electoral Registration Officer	93,977	0	0	0	93,977	92,039
Robert Nicol Depute Assessor	74,782	0	0	0	74,782	33,813
Alistair Boyd Depute Assessor (left 01/09/13 payment of arrears).	307	0	0	0	307	33,877

#### **Notes**

- The term *senior employee* means any Board employee
  - Who has responsibility for the management of the local authority to the extent that the person has the power to direct or control the major activities of the authority (including activities involving the expenditure of money), during the year to which the Report relates, whether solely or collectively with other persons; 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?

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD**  
**MANAGEMENT COMMENTARY AND FINANCIAL STATEMENT OF ACCOUNTS**

**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.

Remuneration Bands £	Number of Employees	
	2014/2015	2013/2014
50,000 - 54,999	3	2
70,000 - 74,999	1	0
90,000 - 94,999	1	1
<b>Total</b>	<b>5</b>	<b>3</b>

**Pension Benefits**

The term pension benefits covers in-year pension contributions for the employee by the Board and the named person's accrued pension benefits at the reporting date.

**Pension Benefits of Senior Employees**

**In-year pension contributions (employers)**

	For year to 31 March 2015 £	For year to 31 March 2014 £
David Thomson	26,813	17,764
Robert Nicol	21,006	6,526
Alistair Boyd	93	6,538

	Accrued pension benefits – pension		Accrued pension benefits – lump sum	
	For year to 31 March 2015 £	For year to 31 March 2014 £	For year to 31 March 2015 £	For year to 31 March 2014 £
David Thomson	36,475	34,584	81,603	80,795
Robert Nicol	21,783	20,343	43,009	42,673
Alistair Boyd	0	36,776	0	94,247



**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD**  
**MANAGEMENT COMMENTARY AND FINANCIAL STATEMENT OF ACCOUNTS**

**Remuneration Report (Cont'd)**

**Pension Benefits of Senior Employees (Cont'd)**

1. The LGPS is a “final salary” scheme and provides defined benefits on retirement for employee of the Board. The pension is based on the pensionable service (how long he or she has been a member of the LGPS) and his or her final pay. For most people, for service up to 31 March 2009, the annual pension is calculated by dividing their final pay by 80 (60 for service after 31 March 2009) and multiplying this by their total membership. Pensions payable are increased annually in line with changes in the Consumer Price Index (CPI).
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. A member’s contribution depends on his or her full-time equivalent pay and is payable at the rate on the following tranches of pay - up to and including £20,335 5.50%; above £20,335 and up to £24,853 7.25%; above £24,853 and up to £34,096 8.50%; above £34,096 and up to £45,393 9.50%; and above £45,393 12.00%.
4. 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.
5. 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
6. 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.

<b>Signed:</b>	_____	<b>Signed :</b>	_____
	<b>Assessor and Electoral Registration Officer</b>		<b>Treasurer</b>
<b>Date:</b>	<u>29 May 2015</u>	<b>Date:</b>	<u>29 May 2015</u>

***DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD  
MANAGEMENT COMMENTARY AND FINANCIAL STATEMENT OF ACCOUNTS***

**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 one of its officers has the responsibility for the administration of those affairs. In this Board, that officer is the Treasurer and
- to manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.

**The Treasurer's Responsibilities:**

The Treasurer is responsible for the preparation of the Authority's Financial Statements in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Code).

In preparing the Statements of Accounts, the Treasurer has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent; and
- complied with the local authority Code.

The Treasurer has also:

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

# ***DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD MANAGEMENT COMMENTARY AND FINANCIAL STATEMENT OF ACCOUNTS***

## **Annual Governance Statement**

The Annual Governance Statement is included within the Financial Statements 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.

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

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

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

## **The Board's Governance Framework**

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

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

The overall control arrangements include:

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

# ***DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD MANAGEMENT COMMENTARY AND FINANCIAL STATEMENT OF ACCOUNTS***

## **Annual Governance Statement (Cont'd)**

### **Review of Effectiveness**

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

The Internal Audit service operates in accordance with Public Sector Internal Audit Standards (PSIAS). The Audit and Risk 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 2015;
- the assessment of risk completed during reviews of the strategic audit plan;
- reports issued by the Valuation Joint Board's External Auditors and other review bodies; and
- knowledge of the Valuation Joint Board's governance, risk management and performance monitoring arrangements.

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

We are satisfied that the Valuation Joint Board has in place a sound system of internal financial control and that appropriate mechanisms are in place to identify any areas of weakness and to take appropriate action. This is corroborated by an Annual Assurance Statement prepared by the Audit and Risk 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 2015.

### **Performance Management**

Examples of developments which have led to significant improvement in arrangements for control, governance or risk management within the Joint Board during 2014/15 include:

- Introduction of new Management Team reports to improve monitoring performance of Non-Domestic Rating and Council Tax performance.
- Board approval and implementation of a Policy and Procedure on Individual Performance Management for Senior Officials
- IT Systems upgrades, Training provided and processes reviewed to comply with the new requirements of Individual Electoral Registration
- Revised approach to Risk Management with separate 'Board' and 'Operational' Risk Registers developed in line with auditor's advice.
- Introduction of checks to ensure that all relevant staff are compliant with the requirements of their Job Description/Person Specification
- Approval and Implementation of New Equalities Outcomes following consultation and liaison with the Equalities and Human Rights Commission.
- Approved and implemented a revised Strategy for the Prevention and Detection of Fraud and Corruption

***DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD  
MANAGEMENT COMMENTARY AND FINANCIAL STATEMENT OF ACCOUNTS***

**Annual Governance Statement (Cont'd)**

**Performance Management (Cont'd)**

The following areas were identified by the Assessor for further improvements in 2015/16:-

- Document Management processes to be documented and improved.
- Improve resilience of ICT network/ communications, particularly to Campbeltown office.
- Manage the Risks associated with the ongoing IER Transition and extension of the franchise in Scotland
- Reporting Framework requires substantial review, particularly in respect of new Electoral Processes and emerging reporting requirement.
- Improve the security, control and management of electronic records/documents.

**Assurance**

On the basis of the assurance provided, we consider the governance and internal control environment operating during 2014/15 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.

<b>Signed:</b>	_____	<b>Signed :</b>	_____
	<b>Assessor and Electoral Registration Officer</b>		<b>Treasurer</b>
<b>Date:</b>	<b>29 May 2015</b>	<b>Date:</b>	<b>29 May 2015</b>

# ***DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD MANAGEMENT COMMENTARY AND FINANCIAL STATEMENT OF ACCOUNTS***

## **Introduction to Financial Statements**

The financial statements comprise the following primary statements:

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

## **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.

## **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.

## **Balance Sheet**

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

## **Cash Flow Statement**

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

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD**  
**MANAGEMENT COMMENTARY AND FINANCIAL STATEMENT OF ACCOUNTS**

**Movement in Reserves Statement**

**2014/15**

	Usable Reserves		Unusable Reserves				Total Reserves £
	Fund Balance £	Capital Requisition Unapplied Account £	Capital Adjustment Account £	Revaluation Reserve £	Pension Reserve £	Statutory Mitigation Account £	
<b>Opening Balance as at 1 April 2015</b>	<b>470,594</b>	<b>68,362</b>	<b>709,892</b>	<b>24,462</b>	<b>(4,544,000)</b>	<b>(19,793)</b>	<b>(3,290,483)</b>
<b>Movements in Reserves</b>							
Surplus or (Deficit) on provision of Services	(236,659)	0	0	0	0	0	(236,659)
Other Comprehensive Income and Expenditure	0	0	0	10,340	(1,227,000)	0	(1216,660)
<b>Total Comprehensive Income and Expenditure</b>	<b>(236,659)</b>	<b>0</b>	<b>0</b>	<b>10,340</b>	<b>(1,227,000)</b>	<b>0</b>	<b>(1,453,319)</b>
<b>Adjustments between accounting basis &amp; funding basis</b>							
Depreciation/ Impairment	20,183	0	(20,183)	0	0	0	0
Pension Scheme Adjustment	344,000	0	0	0	(344,000)	0	0
Net Transfer to or from earmarked reserves required by legislation	(1,775)	0	0	0	0	1,775	0
Capital requisitions applied to fund capital expenditure	0	(17,812)	17,812	0	0	0	0
Capital requisitions unapplied	0	0	0	0	0	0	0
<b>Total Statutory Adjustments</b>	<b>362,408</b>	<b>(17,812)</b>	<b>(2,371)</b>	<b>0</b>	<b>(344,000)</b>	<b>1,775</b>	<b>0</b>
<b>Increase/Decrease in Year</b>	<b>125,749</b>	<b>(17,812)</b>	<b>(2,371)</b>	<b>10,340</b>	<b>(1,571,000)</b>	<b>1,775</b>	<b>(1,453,319)</b>
<b>Balance at 31 March 2015</b>	<b>596,343</b>	<b>50,550</b>	<b>707,521</b>	<b>34,802</b>	<b>(6,115,000)</b>	<b>(18,018)</b>	<b>(4,743,802)</b>
<b>Total Usable</b>		<b>646,893</b>	<b>Total Unusable</b>				<b>(5,390,695)</b>

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD**  
**MANAGEMENT COMMENTARY AND FINANCIAL STATEMENT OF ACCOUNTS**

**Movement in Reserves Statement**

**2013/14**

	Usable Reserves		Unusable Reserves				
	Fund	Capital	Capital	Revaluation	Pension	Statutory	Total
	Balance	Requisition	Adjustment	Reserve	Reserve	Mitigation	Reserves
	£	Unapplied	Account	£	£	Account	£
		Account	£			£	
		£					
<b>Opening Balance as at 1 April 2013</b>	<b>361,528</b>	<b>77,488</b>	<b>787,488</b>	<b>85,152</b>	<b>(3,810,000)</b>	<b>(14,259)</b>	<b>(2,512,603)</b>
<b>Movements in Reserves</b>							
Surplus or (Deficit) on provision of Services	(242,347)	0	0	0	0	0	(242,347)
Other Comprehensive Income and Expenditure	0	0	0	(60,533)	(475,000)	0	(535,533)
<b>Total Comprehensive Income and Expenditure</b>	<b>(242,347)</b>	<b>0</b>	<b>0</b>	<b>(60,533)</b>	<b>(475,000)</b>	<b>0</b>	<b>(777,880)</b>
<b>Adjustments between accounting basis &amp; funding basis</b>							
Depreciation/ Impairment	86,879	0	(86,879)	0	0	0	0
Adjustment between CAA and Revaluation Reserve for depreciation that is related to the revaluation balance rather than Historic Cost.			157	-157	0	0	0
Pension Scheme Adjustment	259,000	0	0	0	(259,000)	0	0
Net Transfer to or from earmarked reserves required by legislation	5,534	0	0	0	0	(5,534)	0
Capital requisitions applied to fund capital expenditure	0	(9,126)	9,126	0	0	0	0
Capital requisitions unapplied	0	0	0	0	0	0	0
<b>Total Statutory Adjustments</b>	<b>351,413</b>	<b>(9,126)</b>	<b>(77,596)</b>	<b>(157)</b>	<b>(259,000)</b>	<b>(5,534)</b>	<b>0</b>
<b>Increase/Decrease in Year</b>	<b>109,066</b>	<b>(9,126)</b>	<b>(77,596)</b>	<b>(60,690)</b>	<b>(734,000)</b>	<b>(5,534)</b>	<b>(777,880)</b>
<b>Balance at 31 March 2014</b>	<b>470,594</b>	<b>68,362</b>	<b>709,892</b>	<b>24,462</b>	<b>(4,544,000)</b>	<b>(19,793)</b>	<b>(3,290,483)</b>
<b>Total Usable</b>		<b>538,956</b>	<b>Total Unusable</b>		<b>(3,829,439)</b>		



**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD**  
**MANAGEMENT COMMENTARY AND FINANCIAL STATEMENT OF ACCOUNTS**

**Comprehensive Income and Expenditure Statement**

2013/14 Gross Expenditure £	2013/14 Gross Income £	2013/14 Net Expenditure £		Notes	2014/15 Gross Expenditure £	2014/15 Gross Income £	2014/15 Net Expenditure £
0	(29,662)	(29,662)	<b>Income</b>		0	(26,263)	(26,263)
			Customer Receipts				
			<b>Expenditure</b>				
2,160,701	0	2,160,701	Employee Costs		2,311,208	0	2,311,208
102,351	0	102,351	Property Costs		113,479	0	113,479
46,528	0	46,528	Transport Costs		49,190	0	49,190
252,812	0	252,812	Supplies & Services		312,872	0	312,872
34,178	0	34,178	Payment to Other Bodies		26,608	0	26,608
130,812	0	130,812	Support Services		136,252	0	136,252
			Depreciation, Amortisation & Impairment		20,183	0	20,183
86,879	0	86,879		5/6			
<b>2,814,261</b>	<b>(29,662)</b>	<b>2,784,599</b>	<b>Net Cost of Service</b>		<b>2,969,792</b>	<b>(26,263)</b>	<b>2,943,529</b>
		(2,664,460)	Revenue Contributions	14			(2,664,460)
		<b>(50,475)</b>	Government Grants	15			<b>(241,386)</b>
		<b>(2,714,935)</b>	<b>Other Operating Income</b>				<b>(2,905,846)</b>
		<b>69,664</b>	<b>Net Operating Income</b>				<b>37,683</b>
		(317)	Interest Earned				(24)
		173,000	Net Interest on the net defined benefit liability/(assets)	3			199,000
		0	Capital Contributions				0
		<b>172,683</b>	<b>Finance and Investment Income and Expenditure</b>				<b>198,976</b>
		<b>242,347</b>	<b>(Surplus)/Deficit on provision of services</b>				<b>236,659</b>
		475,000	Remeasurement of the net defined benefit liability/(assets)	3			1,227,000
		60,533	(Surplus)/Deficit arising on the revaluation of Property, Plant and Equipment				(10,340)
		<b>535,533</b>	<b>Other comprehensive Income &amp; Expenditure</b>				<b>1,216,660</b>
		<b>777,880</b>	<b>Total Comprehensive Expenditure</b>				<b>1,453,319</b>

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD**  
**MANAGEMENT COMMENTARY AND FINANCIAL STATEMENT OF ACCOUNTS**

**Balance Sheet**

<b>2013/14</b>				<b>2014/15</b>
<b>£</b>	<b>Notes</b>			<b>£</b>
734,687	5	Property, plant and equipment		736,813
0	6	Intangible Assets		5,843
<b>734,687</b>		<b>Total Long Term Assets</b>		<b>742,656</b>
644,539	7	Short Term Debtors		729,462
400	8	Cash and Cash Equivalents		400
<b>644,939</b>		<b>Current Assets</b>		<b>729,862</b>
(126,109)	9	Short Term Creditors		(101,320)
<b>(126,109)</b>		<b>Current Liabilities</b>		<b>(101,320)</b>
(4,544,000)	3	Net Pensions Liability		(6,115,000)
<b>(4,544,000)</b>		<b>Long Term Liabilities</b>		<b>(6,115,000)</b>
<b>(3,290,483)</b>		<b>Net Assets/(Liabilities)</b>		<b>(4,743,802)</b>
<b>Represented by:</b>				
538,956	10/11	Usable Reserves		646,893
(3,829,439)	12	Unusable Reserves		(5,390,695)
<b>(3,290,483)</b>		<b>Total Reserves</b>		<b>(4,743,802)</b>

The unaudited Financial Statements were issued on 29 May 2015.

**Stephen West**  
**Treasurer**  
**29 May 2015**

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD**  
**MANAGEMENT COMMENTARY AND FINANCIAL STATEMENT OF ACCOUNTS**

**Cash Flow Statement**

<b>2013/14</b>			<b>2014/15</b>
<b>£</b>	<b>Notes</b>		<b>£</b>
		<b>Operating Activities</b>	
(2,714,935)		Grants	(2,905,847)
(29,662)		Sale of goods and rendering of services	(26,263)
<u>(2,744,597)</u>		Cash Inflows from Operating Activities	<u>(2,932,110)</u>
2,400,739		Cash paid to and on behalf of employees	2,190,998
335,049		Other payments for operating activities	723,324
<u>2,735,788</u>		Cash Outflows from Operating Activities	<u>2,914,322</u>
<u><b>(8,809)</b></u>		Net Cash Flows from Operating Activities	<u><b>(17,788)</b></u>
		<b>Investing Activities</b>	
9,126		Purchase of Assets	17,812
<u>0</u>		Other receipts from investing activities	<u>0</u>
<u><b>9,126</b></u>		Net Cash Flows from Investing Activities	<u><b>17,812</b></u>
		<b>Financing Activities</b>	
(317)		Interest Received	(24)
<u><b>8,809</b></u>		Net Cash Flows from Financing Activities	<u><b>17,788</b></u>
<u><b>0</b></u>		Net (Increase)/Decrease in Cash and Cash Equivalents	<u><b>0</b></u>
400	8	Cash and cash equivalents at the beginning of the reporting period	400
(400)	8	Cash and cash equivalents at the end of the reporting period	(400)
<u><b>0</b></u>			<u><b>0</b></u>

# ***DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD MANAGEMENT COMMENTARY AND FINANCIAL STATEMENT OF ACCOUNTS***

## **Notes to the Financial Statements**

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

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

The Financial Statements summarise the Board's transactions for the 2013/14 financial year and its position at the year end of 31 March 2015. The Board is required to prepare an Annual Financial Statements 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 2013/14 ("the Code") and the Service Reporting Code of Practice, supported by International Financial Reporting Standards (IFRS).

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

#### **2. Accruals of Income and Expenditure**

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

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

#### **3. Cash and Cash Equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

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

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

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

# ***DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD MANAGEMENT COMMENTARY AND FINANCIAL STATEMENT OF ACCOUNTS***

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

### **4. Changes in Accounting policies, Estimates and Errors**

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.

On 1 April 2013, the Board implemented a change of accounting policy relating to the June 2011 amendments to the accounting standard IAS19 Employee Benefits. The key change relates to the expected return on assets. In order to permit a meaningful comparison between financial years, some figures in the previous year's audited financial statements have been amended. The effects on the financial statements are detailed on page 53, Note 17 Explanation of Prior Year Adjustment.

There has been a redistribution of costs within the CIES. The pension's interest cost within the Surplus or Deficit on the Provision of Services has increased with a corresponding reduction in actuarial (gains) or losses on pension assets and liabilities in Other Comprehensive Income and Expenditure. Essentially, the expected return on schemes assets that was credited to the Surplus or Deficit on the Provision of Services has been effectively replaced with an equivalent figure using the discount rate.

Changes in accounting estimates are accounted for prospectively.

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;
- Amortisation of intangible fixed assets.

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

### **6. Intangible assets**

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

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

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

# ***DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD MANAGEMENT COMMENTARY AND FINANCIAL STATEMENT OF ACCOUNTS***

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

### **6. Intangible assets (Cont'd)**

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;
- The initial estimate of costs for dismantling and removing the item and restoring the site on which it is located to its original state.

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

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

- Other buildings – fair value. Where there is no market based evidence of fair value because of the specialised nature of the asset and the asset is rarely sold, depreciated replacement cost is used as an estimate of fair value;
- 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.

# ***DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD MANAGEMENT COMMENTARY AND FINANCIAL STATEMENT OF ACCOUNTS***

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

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

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)
- 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)
- No balance of revaluation gains for the asset in the Revaluation Reserve – the carrying amount is written down in the Comprehensive Income and Expenditure Statement

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

#### Depreciation

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

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

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

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

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

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

# ***DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD MANAGEMENT COMMENTARY AND FINANCIAL STATEMENT OF ACCOUNTS***

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

### **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 Account when the authority is demonstrably committed to provision of the termination benefits.

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

#### **Post Employment Benefits**

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

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

- The liabilities of the pension fund attributable to the Board are included within the Balance Sheet on an actuarial basis using the projected unit method (i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based upon assumptions about mortality rates, employee turnover rates, projection of earnings for current employees, etc.
- Liabilities are discounted to their value at current prices using a discount rate of 4.3% (based upon the indicative return rate on long dated high quality corporate bonds)
- All assets are at bid value and are split into Quoted Prices in Active Markets and Prices not quoted in Active Markets, they are now shown in the notes in more detail.
- Split by Equity Securities, Debt Securities, Private Equity, Real Estate, Investment Funds, Derivatives Cash



***DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD  
MANAGEMENT COMMENTARY AND FINANCIAL STATEMENT OF ACCOUNTS***

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

**8. Employee Benefits (Cont'd)**

- The change in the net pensions liability is analysed into seven components:
  - Current service cost – the increase in liabilities as result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employee worked.
  - Past service cost – the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years – debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement.
  - Net Interest expenses – the expected increase in the present value of liabilities during the year as they move one year closer, less the fair value of plan assets debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.
  - Gains/losses on settlements and curtailments – the result of actions to relieve the Board of liabilities or events that reduce the expected future service or accrual of benefits of employees – debited/credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement.
  - 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.
  - 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

# ***DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD MANAGEMENT COMMENTARY AND FINANCIAL STATEMENT OF ACCOUNTS***

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

### **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 Financial Statements is authorised for issue. Two types have been identified:

- Those that provide evidence of conditions that existed at the end of the reporting period – the Financial Statements is adjusted to reflect this;
- Those that are indicative of conditions that arose after the reporting period – the Financial Statements 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. Exceptional items**

When items of income and expenditure are material, their nature and amount is disclosed separately, either within the Comprehensive Income and Expenditure Statement or in the notes to the accounts, depending on how significant the items are to the understanding of the Board's financial performance.

### **11. Operating Leases**

#### **Board as Lessee**

Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense. Charges are made on a straight line basis over the life of the lease, even if it does not match the pattern of payment.

#### **Board as Lessor**

Where the Board grants an operating lease over an asset, the asset is retained in the Balance Sheet. Rental income is credited to the Other Operating Expenditure line in 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.

### **12. Provisions, contingent liabilities and contingent assets**

#### **Provisions**

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

Provisions are charged as an expense to the Comprehensive Income and Expenditure Statement in the year the Board becomes aware of the obligation and measured at the best estimate at the Balance Sheet date, taking account of relevant risks and uncertainties.

When payments are eventually made they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year. Where it becomes less than probable that a transfer of economic benefits is now required; the provision is reversed and credited back to the relevant service.

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD**  
**MANAGEMENT COMMENTARY AND FINANCIAL STATEMENT OF ACCOUNTS**

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

**12. Provisions, contingent liabilities and contingent assets (Cont'd)**

**Contingent Liabilities**

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

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

**Contingent assets**

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

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

**13. VAT**

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

**14. 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 – Operating Leases**

**Board as Lessor**

The Board leases out property under operating leases to provide suitable affordable accommodation to West Dunbartonshire Council and Alpha Pets.

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

<b>31 March 2014</b>		<b>31 March 2015</b>	
£		£	
20,300	Not later than one year	20,300	
75,825	Later than one year and not later than five years	72,782	
16,979	Later than five years	0	
<b>113,104</b>		<b>93,082</b>	

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD  
MANAGEMENT COMMENTARY AND FINANCIAL STATEMENT OF ACCOUNTS**

**Note 2 – Operating Leases (Cont’d)**

**Board as Lessee**

The Board has acquired a number of photocopiers, fax, printers and water coolers by entering into operating leases.

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

<b>31 March 2014</b>		<b>31 March 2015</b>
<b>£</b>		<b>£</b>
4,506	Not later than one year	4,504
4,500	Later than one year and not later than five years	8,212
0	Later than five years	0
<b>9,006</b>		<b>12,716</b>

**Note 3 – 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 following pension schemes:

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 2013/14 was 19.3%, and 2014/15 is set at 19.3%. In 2014/15, the Board paid an employer’s contribution of £0.311m (2013/14 £0.294m).

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 retrials. There was no charge in 2014/15 (2013/14 no charge).

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

The Board recognised the cost of retirement benefits in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However the charge that the Board is required to make against its budget is based on the cash payable in the year, so the real cost of post employment/retirement benefits is reversed out of the general fund via the movement in reserve statement. The following transactions have been made in the comprehensive income and expenditure statement and the general fund balance via the movement in reserves statement during the year.

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD**  
**MANAGEMENT COMMENTARY AND FINANCIAL STATEMENT OF ACCOUNTS**

**Note 3 – Defined Benefit Pension Schemes (Cont'd)**

<b>2013/14</b>		<b>2014/15</b>
<b>£000</b>		<b>£000</b>
	<b>Net cost of services</b>	
387	Current service cost	463
<b>387</b>		<b>463</b>
	<b>Financing and investment Income and Expenditure</b>	
173	Net Interest	199
<b>173</b>		<b>199</b>
	<b>Total post employment benefit charged to the Surplus or Deficit on the provision of Services</b>	
<b>560</b>		<b>662</b>
(285)	Return on plan assets	(1,859)
	Actuarial gains and losses arising on changes in financial	
765	Assumptions	2,346
(5)	Actuarial gains and losses arising on experience assumptions	82
<b>1,035</b>	<b>Total post employment benefit charged to the comprehensive income and expenditure statement</b>	<b>1,231</b>
	<b>Movement in Reserves Statement</b>	
(560)	Reversal of net charges made to surplus of deficit for post employment benefits	(662)
	<b>Actual amount charged against the General Fund balance in the year</b>	
<b>301</b>	Employer contributions payable to Scheme	<b>318</b>

**Pension Assets and Liabilities**

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

	<b>2014/15</b>	<b>2013/14</b>
	<b>£000</b>	<b>£000</b>
Fair value of plan assets	16,221	13,656
Present Value of defined benefit obligations	(22,163)	(18,043)
<b>Net (liabilities)/assets in the Strathclyde Pension Fund</b>	<b>(5,942)</b>	<b>(4,387)</b>
<u>Present Value of Unfunded Liabilities</u>	<u>(173)</u>	<u>(157)</u>
Pre Local Government Reorganisation		
<b>Net pension asset/(liability)</b>	<b>(6,115)</b>	<b>(4,544)</b>

For the Strathclyde Local Government Pension Scheme at 31 March 2015 the Board has a net liability £5,942,000 and for the unfunded liabilities a net liability of £173,000. The Board's net liability of £6,115,000 at 31 March 2015 reflects the future obligations to fund retirement benefits. This represents an increase in the net liability of £1,571,000 compared to the position at 31 March 2014.

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**Note 3 – Defined Benefit Pension Schemes (Cont'd)**

**Pension Assets and Liabilities (Cont'd)**

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 13.1% as at 31/03/15, this is an increase from 6.7% as at 31/03/14.

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.

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

<b>2013/14</b>		<b>2014/15</b>
<b>£000</b>		<b>£000</b>
16,504	Opening balance	18,200
387	Current service cost	463
747	Interest cost	788
104	Contributions by Members	108
765	Actuarial gains/losses in financial assumptions	2,346
(5)	Other Experience	82
(7)	Estimated unfunded benefits paid	(7)
(295)	Estimated benefits paid	(302)
0	Changes in demographic assumptions	658
<b>18,200</b>		<b>22,336</b>

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

<b>2013/14</b>		<b>2014/15</b>
<b>£000</b>		<b>£000</b>
12,694	Opening balance	13,656
285	Expected return on assets	1,859
574	Interest Income	589
104	Contributions by Members	108
294	Contributions by employer	311
7	Contributions in respect of unfunded benefits	7
(7)	Estimated unfunded benefits paid	(7)
(295)	Estimated benefit paid	(302)
<b>13,656</b>		<b>16,221</b>

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**Note 3 – Defined Benefit Pension Schemes (Cont'd)**

**Pension Assets and Liabilities (Cont'd)**

The Valuation Joint Board's share of the pension funds asset at 31 March 2015 comprised:

Asset Category	31 March 2015			31 March 2014		
	Quoted Prices in Active Markets £000	Prices not Quoted in Active Markets £000	Total £000	Quoted Prices in Active Markets £000	Prices not Quoted in Active Markets £000	Total £000
Equity Securities	5,946	12	5,958	4,980	9	4,989
Private Equity	0	1,579	1,579	0	1,288	1,288
Real Estate	0	1,482	1,482	0	957	957
Investment funds and unit trusts	177	6,621	6,798	337	5,429	5,766
Derivatives	5	0	5	3	0	3
Cash and Cash Equivalent	0	399	399	0	653	653
<b>Totals</b>	<b>6,128</b>	<b>10,093</b>	<b>16,221</b>	<b>5,320</b>	<b>8,336</b>	<b>13,656</b>

**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.

**Pension Assets and Liabilities (Cont'd)**

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

31/03/2014		31/03/2015
6.7%	Expected rate of return	13.1%
2.8%	Inflation/pension increase rate	2.4%
5.1%	Salary increase rate	4.3%
4.3%	Discount rate	3.2%

Mortality

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

	<b>Males</b>	<b>Females</b>
Current pensioners	22.1 years	23.6 years
Future Pensioners	24.8 years	26.2 years

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**Note 3 – Defined Benefit Pension Schemes (Cont'd)**

**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>
Member life expectancy ( 1 year increase)	3%	670
Rate for discounting fund liabilities (0.5% decrease )	5%	1,162
Rate of pension increase (0.5% increase)	6%	1,334

The total employee contributions expected to be made to the Local Government Pension Scheme for 2014/15 is £297,000.

**Note 4 – External Audit Costs**

In 2013/14 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:

<b>2013/14</b>		<b>2014/15</b>
<b>£</b>		<b>£</b>
7,722	Fees payable for external audit services	7,799
<b>7,722</b>		<b>7,799</b>

**Note 5 – Property, Plant and Equipment**

<b><u>Figures 2014/15</u></b>	<b>Land &amp; Buildings £</b>	<b>Plant &amp; Equipment £</b>	<b>Total £</b>
<b>Cost or Valuation</b>			
<b>As at 1 April 2014</b>	<b>956,406</b>	<b>93,886</b>	<b>1,050,292</b>
Additions	0	11,968	11,968
Revaluations	10,340	0	10,340
<b>As at 31 March 2015</b>	<b>966,746</b>	<b>105,854</b>	<b>1,072,600</b>
<b>Accumulated Depreciation and Impairment</b>			
<b>As at 1 April 2014</b>	<b>(257,561)</b>	<b>(58,045)</b>	<b>(315,606)</b>
Depreciation Charge	(5,865)	(14,316)	(20,181)
<b>As at 31 March 2015</b>	<b>(263,426)</b>	<b>(72,361)</b>	<b>(335,787)</b>
<b>Net Book Value at 31 March 2014</b>	<b>698,845</b>	<b>35,841</b>	<b>734,686</b>
<b>Net Book Value at 31 March 2015</b>	<b>703,320</b>	<b>33,493</b>	<b>736,813</b>



**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD**  
**MANAGEMENT COMMENTARY AND FINANCIAL STATEMENT OF ACCOUNTS**

**Note 5 – Property, Plant and Equipment (Cont’d)**

**Comparative Figures 2013/14**

<b><u>Figures 2013/14</u></b>	<b>Land &amp; Buildings £</b>	<b>Plant &amp; Equipment £</b>	<b>Total £</b>
<b>Cost or Valuation</b>			
<b>As at 1 April 2013</b>	<b>886,044</b>	<b>88,745</b>	<b>974,789</b>
Additions	3,985	5,141	9,126
Revaluation	66,377	0	66,377
<b>As at 31 March 2014</b>	<b>956,406</b>	<b>93,886</b>	<b>1,050,292</b>
<b>Accumulated Depreciation and Impairment</b>			
<b>As at 1 April 2013</b>	<b>(60,343)</b>	<b>(41,473)</b>	<b>(101,816)</b>
Depreciation Charge	(5,866)	(16,573)	(22,438)
Impairment	(191,352)	0	(191,352)
<b>As at 31 March 2014</b>	<b>(257,561)</b>	<b>(58,045)</b>	<b>(315,606)</b>
<b>Net Book Value at 31 March 2013</b>	<b>825,701</b>	<b>47,272</b>	<b>872,973</b>
<b>Net Book Value at 31 March 2014</b>	<b>698,845</b>	<b>35,841</b>	<b>734,686</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. All valuations were carried out by West Dunbartonshire Council’s Internal Valuer. 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 6 – Intangible Assets**

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

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

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

<b>2013/14</b>		<b>2014/15</b>
<b>£</b>	<b>Balance at start of year:</b>	<b>£</b>
0	Gross carrying amount	5,843
0	Accumulated amortisation	0
<b>0</b>	<b>Net carrying amount at start of year</b>	<b>5,843</b>
0	Amortisation for the period	0
<b>0</b>	<b>Net carrying amount at end of year</b>	<b>0</b>
	<b>Comprising:</b>	
0	Gross carrying amounts	5,843
0	Accumulated amortisation	0
<b>0</b>		<b>5,843</b>

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD**  
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**Note 7 – Debtors**

2013/14		2014/15
£		£
5,092	Other Entities and Individuals	3,918
639,447	Other Local Authorities	725,544
<b>644,539</b>		<b>729,462</b>

**Note 8 – Cash and Cash Equivalents**

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

2013/14		2014/15
£		£
400	Imprest	400
<b>400</b>		<b>400</b>

**Note 9 – Creditors**

2013/14		2014/15
£		£
27,324	Central Government Bodies	2,757
88,199	Other Entities and Individuals	86,800
10,586	Other Local Authorities	11,763
<b>126,109</b>		<b>101,320</b>

**Note 10 – 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>Opening Balance at 1 April 2014</b>	<b>470,594</b>
Gains/(Losses) on the fund	125,749
<b>Closing Balance at 31 March 2015</b>	<b>596,343</b>

The revenue reserves balance stands at £596,343 on 31 March 2015,

**Note 11 – Capital Expenditure and Capital Financing**

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

2013/14		2014/15	2014/15
£		£	£
0	Contributions from Authorities	0	0
77,488	Unapplied Capital contributions b/forward		68,362
<b>Capital expenditure incurred during the year:</b>			
(5,141)	Upgrade PC's	(8,915)	
0	Servers	(8,897)	(17,812)
(3,985)	Upgrade to buildings		0
<b>68,362</b>	<b>Unapplied Capital contributions c/forward</b>		<b>50,550</b>

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD**  
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**Note 12 – Unusable Reserves**

<b>31 March 2014</b>		<b>31 March 2015</b>	
	<b>£</b>		<b>£</b>
709,892	Capital Adjustment Account	707,521	
24,462	Revaluation Reserve	34,802	
(4,544,000)	Pension Reserve	(6,115,000)	
(19,793)	Statutory Mitigation Account	(18,018)	
<b>(3,829,439)</b>	<b>Total Unusable Reserves</b>	<b>(5,390,695)</b>	

**Capital Adjustment Account**

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

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

**Revaluation Reserve**

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

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

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

**Pension Reserve**

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

**Statutory Mitigation Account**

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

***DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD  
MANAGEMENT COMMENTARY AND FINANCIAL STATEMENT OF ACCOUNTS***

**Capital Requisition Unapplied Account**

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

**Note 13 – Contingent Assets & Liabilities**

The Board has not identified any Contingent Assets and Liabilities.

**Note 14 – Contributions from Authorities**

<b>2013/14</b>		<b>2014/15</b>
<b>£</b>		<b>£</b>
1,281,605	Argyll & Bute Council	1,281,605
664,783	East Dunbartonshire Council	664,783
718,072	West Dunbartonshire Council	718,072
<b><u>2,664,460</u></b>		<b><u>2,664,460</u></b>

**Note 15 – Government Grants**

The Board received a total of £241,386 of government grants in 14/15 to continue with the delivery of Individual Electoral Registration and the Scottish Independence Referendum.

<b>2013/14</b>		<b>2014/15</b>
<b>£</b>		<b>£</b>
36,848	Cabinet Office	211,509
13,627	Scottish Government	29,877
<b><u>50,475</u></b>		<b><u>241,386</u></b>

**Note 16 – Related Parties**

It is a requirement of the Code that material transactions with related parties (i.e organisations with 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 14.